

## 4 Killed Outside U.S. Base

### Philippine Gunmen Slay GIs, Bystander

By Keith B. Richburg  
*Washington Post Service*

MANILA — Two U.S. soldiers, a retired American serviceman and a Filipino were shot and killed Wednesday in three apparently well-coordinated attacks outside Clark Air Base, in what would be the first known terrorist assaults on American targets here in more than a decade.



There was hectic trading Wednesday on the floor of the Frankfurt stock exchange, and prices fell sharply.

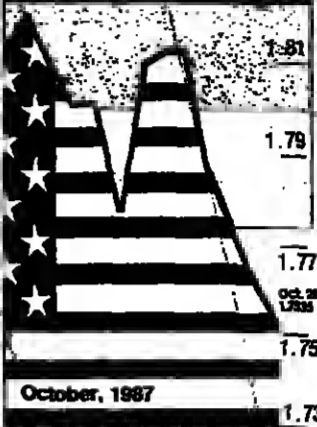
## Falling Dollar Unsettles World Stock Prices, but Wall St. Shows Stability

### Banks Act to Aid Currency

By Ferdinand Protzman  
*International Herald Tribune*

FRANKFURT — Central banks bought massive amounts of dollars Wednesday on foreign exchange markets as the U.S. currency slid to its lowest level since 1980 against the Deutsche mark.

### The Dollar's Recent Weakness



### Dow Rises A Fraction

Compiled by Our Staff From Dispatches

NEW YORK — The New York stock market struggled to regain its balance on Wednesday but only blue-chip stocks succeeded, with the Dow Jones Industrial Average inching up 0.33 point.

## Tax Hike: Solution or Recipe for Disaster?

By Leonard Silk  
*New York Times Service*

NEW YORK — Just when President Ronald Reagan and Congress have started moving toward a compromise on measures to reduce the federal budget deficit, with the logjam apparently broken by the stock market plunge, an unlikely alliance of economists is warning that shrinking the deficit by raising taxes and cutting government spending would be the wrong thing to do at the worst possible time.

that, after the market plunge, raising revenues and lowering government spending to reduce the deficit "can exacerbate current recessionary tendencies and can even create a second Great Depression in the 20th century."

NEWS ANALYSIS

Paul Craig Roberts of Georgetown University and Jude Wanniski, president of Polyconomics Inc., oppose any budget-shrinking moves involving tax increases. Such steps, they say, would have the perverse effect of reducing tax revenues. New taxation would chill the economy, reduce personal and business incomes, and thus lower tax receipts.

No one claimed responsibility for the attacks, and the U.S. military refused to speculate about the perpetrators.

Major General Donald Snyder, the commander of the U.S. 13th Air Force, appealed on the armed forces television station in Manila

## Heat Is on Bonn to Help, Through Growth

By Reginald Dale  
*International Herald Tribune*

PARIS — Strong internal and external pressures are mounting on West Germany to play its part in stabilizing the world economy by adopting more expansionary policies, government officials and private economists said Wednesday.

NEWS ANALYSIS

light of the financial crisis. He declined, however, to say whether any announcement of a change could be expected in the next few days.

NEWS ANALYSIS

Increased domestic demand would also cushion West German exporters from losses in the U.S. market as a result of the declining value of the dollar, analysts said. The shares of major

Mr. Reagan, while sending his men to negotiate with Congress, has continued to assert he will resist a tax increase, though willing to

Mr. Delors denied Mr. Delors' contention, saying that his remarks "do not reflect the policy of the United States government."

Wall Street began the day by compounding the misfortunes of overseas stock markets, most of which had suffered heavy losses early in the day and overnight.

## Kiosk

### Reagan Adviser Delays Leaving

WASHINGTON (AP) — Beryl W. Sprinkel has advised the White House informally that he wishes to stay on as chairman of President Ronald Reagan's Council of Economic Advisers instead of resigning as planned, an administration official said Wednesday.



As starving Ethiopians await food, the rebels are threatening relief convoys.

## Officials Ask Deng to Stay In Politburo

By Daniel Southerland  
*Washington Post Service*

BEIJING — Chinese provincial officials revealed on Wednesday that Deng Xiaoping is being pressed by many other senior party officials to reverse his announced intention to retire from the party's ruling Politburo.



Deng Xiaoping at the Chinese Communist Party congress under way in Beijing.

## Investors Spurn BP Offer

The \$7.2 billion (\$12 billion) sale of British Petroleum Co. by the British government has flopped.

NEWS ANALYSIS

Lower interest rates help to stimulate the economy. Some economists fear that the cash loss from the stock market's 34 percent fall since late August — including the 508-point loss on Oct. 19 — will discourage consumers and businesses from spending at a pace that will prod economic growth.

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## Reagan, Awaiting Shevardnadze, Asks Soviets to Drop SDI Demands

By Joel Brinkley  
*New York Times Service*

WEST POINT, New York — President Ronald Reagan called on the Soviet Union on Wednesday to stop holding arms reduction talks "hostage to measures that would cripple our Strategic Defense Initiative."

NEWS ANALYSIS

Not ready for a summit meeting, even after the president and other officials had been openly promoting the idea — was not willing to predict on Wednesday what might happen as a result of the foreign minister's visit.

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## GENERAL NEWS

The Malaysian government arrested 63 people and closed three newspapers as racial tensions rose.

## BUSINESS/FINANCE

Trading in the newly privatized Compagnie Financiere de Suez has been postponed by the French government.

But a number of diplomats, as well as Chinese officials, predicted that despite strong rumors and pressures to the contrary, Mr. Deng would in the end resign from the Politburo. He would retain influence as the country's paramount leader through his continuing leadership of the army, they said.

## Martinis Make a Comeback Against Heavy Odds (Say, 15-1)

By Frank J. Prial  
*New York Times Service*

NEW YORK — Vintage rock and roll is back. Comic books are back. Crew cuts are back. Even Billy Martin is back as manager of the New York Yankees. Next thing you know, they'll be building cars with fins again.

political folklore, like the Cross of Gold, the Big Stick and "I do not choose to run."

Street in New Orleans called the Bombay Club. To drink at the bar there is to enter a time warp. Most of the youngish crowd seems left over from a Young Republicans for Eisenhower mixer, and the house drink strengthens the illusion. It's an enormous gin martini, served straight up in a long-stemmed glass like the ones Myrna Loy and William Powell used to drink in those "Thin Man" films. The Bombay Club glass is twice as big.

NEWS ANALYSIS

There is a pleasant little place just off Burgundy

NEWS ANALYSIS

There is a pleasant little place just off Burgundy

Handwritten text in Arabic script: "سكس، صلاحي"



AT SHERATON LITTLE THINGS MEAN A LOT · AT SHERATON LITTLE THINGS MEAN A LOT · AT SHERATON LITTLE THINGS MEAN A LOT

# THE MEAL WAS FINE.

# THEN THE SAUCE ARRIVED.

Nothing wrong with the sauce, you understand.

In fact, as part of a banquet to celebrate a conference of chefs at the Gothenburg Sheraton, more than the usual care and attention had gone into its preparation.

The problem was that the guest (like most guests in our experience) preferred the sauce served onto his plate. Rather than onto his lapel. (A subtle sauce can look very unsubtle adorning a white dinner jacket.)

Fortunately, the maître d' was a man who looks at such accidents and sees only opportunities.

Helping the guest remove his jacket, he offered his own as immediate, temporary



replacement. At the same time whisking the sauce-stained garment off to be dry-cleaned.

And before the coffee was finished, the jacket, freshly cleaned and pressed, was returned to our guest.

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INTERNATIONAL Herald Tribune

Stick to the Arias Plan

The Central American peace accord coming into effect next week promises a healing cease-fire and a chance for democracy. This intricate plan delicately balances compromises from left and right; the entire plan would be imperiled if there were any substantial deviation from its present terms...

The Causes in Eritrea

The use of starvation as a political weapon is a tragic and familiar aspect of wars in many lands, but the practice seems to have been taken to an especially terrible new place in Ethiopia. Surprisingly, the villain is not the Marxist government. That government has not shrunk from using starvation tactics to put down Eritrea's independence movement...

Babies for the Budget?

Ronald Reagan has already pushed another trillion dollars of debt onto the next generation of taxpayers. Now the Republican presidential candidate Pat Robertson offers an even more refined idea of fiscal conservatism and family values. America should breed more babies, he says, so there will be more people to pay taxes.

Other Comment

The Camps Are Talking For the first time in the budget impasse, the two camps are talking, and the rhetoric has cooled. That is a powerful signal to send to Wall Street and the rest of the world. It is a compromise that is preferable to reducing spending arbitrarily through some mathematical formula.

A Shower for Shultz, Then a Speech for the Comrades

BUDAPEST — You could get whiplash from trying to follow each twist and turn of Soviet-American relations these days. But in the fog of peacemaking, a few signposts do point toward what lies ahead. One certainty is that nuclear disarmament is not about to break out. Those who talk about the INF treaty that is now within easy reach leading to a demilitarized Europe sound like Sam Walton declining to pick up the luncheon tab because it would start a process that would bankrupt him.

By Jim Hoagland

The Soviets can now count on the anxiety that the withdrawal of the Pershing-2 and that the withdrawal of the Pershing-2 and ground-based cruise missiles is stirring among West German policy makers to help them in arguing that no new U.S. missiles should be deployed on German territory. Even hawkish figures like Defense Minister Manfred Wörner doubt that a quick decision can be obtained for a new deployment of improved short-range Lance missiles to help fill the gap that he perceives the INF treaty will create.

An Oil Import Fee Would Serve Several Purposes

WASHINGTON — Here is a bold action that the president and Congress could take to end financial handwringing and lay the basis for sustained growth throughout the world: impose a \$10 a barrel fee on all oil imported into the United States. America's rate of importation is rising alarmingly. It now stands at 6 million barrels a day, 43 percent of the oil it uses. A \$10 import fee would slash the budget deficit by \$23 billion a year, which just happens to be the amount required for cutting this year's Gramm-Rudman. Couple the revenue increase obtained from OPEC friends with 2-for-1 spending cuts, and you have serious deficit reduction.

By William Safire

A final argument: The oil import fee would be a severe blow to Iran, far more effective than the military take-out of its Silkwood sites or refineries. By pushing down the world price of oil, America would make it much harder for the ayatollah to support aggression in the Gulf and his dream of Shiite dominance. Thus, although oil sheikhs are too hidebound to see it, an import fee in America, with subsequent drops in prices worldwide, would help the Saudis and Kuwaitis and Iraqis defeat the Persian threat. The Arab oil states would lose their economic dominance but ensure their national existence.

For a Big Program to Expand American Exports

PARIS — What the American and world economies need at this moment is the launch of an ambitious and dynamic American export expansion program to reduce the U.S. trade deficit and dam the protectionist tide in Congress. Announcement of a big plan to convince American companies to export, and to give them the means, advice and financing to do so, might even halt the market panic in its tracks, since it is the trade deficit which currently obsesses the markets. It would be almost as welcome to the markets, at this moment, as an agreement in Washington to raise taxes and cut the budget — the latter being an agreement we are not likely to see, and one which, in view of its deflationary effects, the markets might not be so happy with in the longer term.

By William Pfaff

There are plenty of innovative producers who could export competitively, if someone showed them how to cope with the paperwork and foreign regulations, find agents abroad and get help on marketing and advertising in foreign markets, and obtain the export financing they need. An Export Advancement Agency, possibly a cooperative effort of government and trade groups, with offices across the country, together with enlarged commercial sections in U.S. embassies abroad and expanded cooperation with American chambers of commerce overseas, is the obvious way to go about it. It is not hard to think of things to do that would produce results. It is not simple to sell goods in another country, but there also is no mystery about how to go about it.

The Choice Is Between a Lower Dollar and Recession

WASHINGTON — The string has finally run out for Treasury Secretary James Baker. All good things do not come in a tidy package, and Mr. Baker must now choose between a lower dollar and a recession. The seeds of the collapse of the stock market and the probable recession were sown at the Louvre in Paris last February, when the major industrial countries apparently agreed to a reference rate for the dollar and other key currencies. As measured against that objective, the Louvre accord has been moderately successful.

By William A. Niskanen

around its existing level and to reinvigorate the Louvre accord. To be blunt, that would compound the errors that led to Black Monday by sacrificing the economy (and the Republican Party) on the altar of a stable dollar. The opposing advice is to back away from the Louvre accord, either progressively or cleanly, to restore money growth and to maintain a stable path of domestic demand. Advocates of this policy reportedly include Secretary of State George Shultz, the budget director, James Miller, and the chairman of the President's Council of Economic Advisers, Beryl Sprinkel. Choosing between those policies will not be easy. Mr. Baker has a large investment in the Louvre accord and, in general, in international policy coordination. And allowing the dollar to fall would increase the inflation rate and nominal interest rates.

The View From the Shops of Richmond

THE British and other Europeans are weary of Americans constantly blaming other nations for the chronic U.S. trade deficit. That gap between income and expenditure is now seen as the worm eating at the heart of American strength and world leadership. In the affluent suburbs of London, the U.S. deficit is painfully evident. This week I called at some of the major stores near my home in Richmond upon Thames. I found goods piled high from France, Italy, West Germany, Spain, China, South Korea, Taiwan, and of course, Japan. Apart from a few cans of pineapple juice, I found nothing from the United States. When investors on Wall Street hurl themselves into a frenzy of selling, they are, in effect, simply reacting to the failure of American industry to compete as it used to compete.

Dizzy Heights: Speculation A la Japonaise

By Gregory Clark

TOKYO — Japanese speculators have scaled heights unknown in a large industrial economy. They may soon be plummeting a few depths too. The current leader of attention is the Tokyo stock market, where the Nikkei 225 index bounded up and down this week. Even at Wall Street's peak, average price earnings ratios of U.S. shares did not go beyond 23. Meanwhile, price earnings ratios in Tokyo were moving beyond 60. Some more speculative shares were at the 100 level or even more, despite no dividends and stagnant profits in many cases.

100, 75 AND 50 YEARS AGO

1887: Plot in Bulgaria SOFIA — The Bulgarian authorities are making active inquiries regarding the alleged plot to assassinate Prince Ferdinand. The individual arrested at Varna on a charge of being implicated in the conspiracy is a Montenegro. In his examination before the magistrature he declared that he had been sent by the Slav Committee at Odessa to organize an attempt on the lives of the Prince and his two ministers, for which he was to receive from the committee the sum of 5,000 napoleons, and was further promised an important post in Russia.

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OPINION

Anything the Kremlin Did, Glasnost Might Do Better

By George F. Will

WASHINGTON — Perhaps the disappointment (for those who were disappointed) about developments when Secretary of State George Shultz...

At the island summit, Mikhail Gorbachev made a last-minute attempt to link all progress (for those who consider it progress) on arms control to restraints on President Reagan's Strategic Defense Initiative...

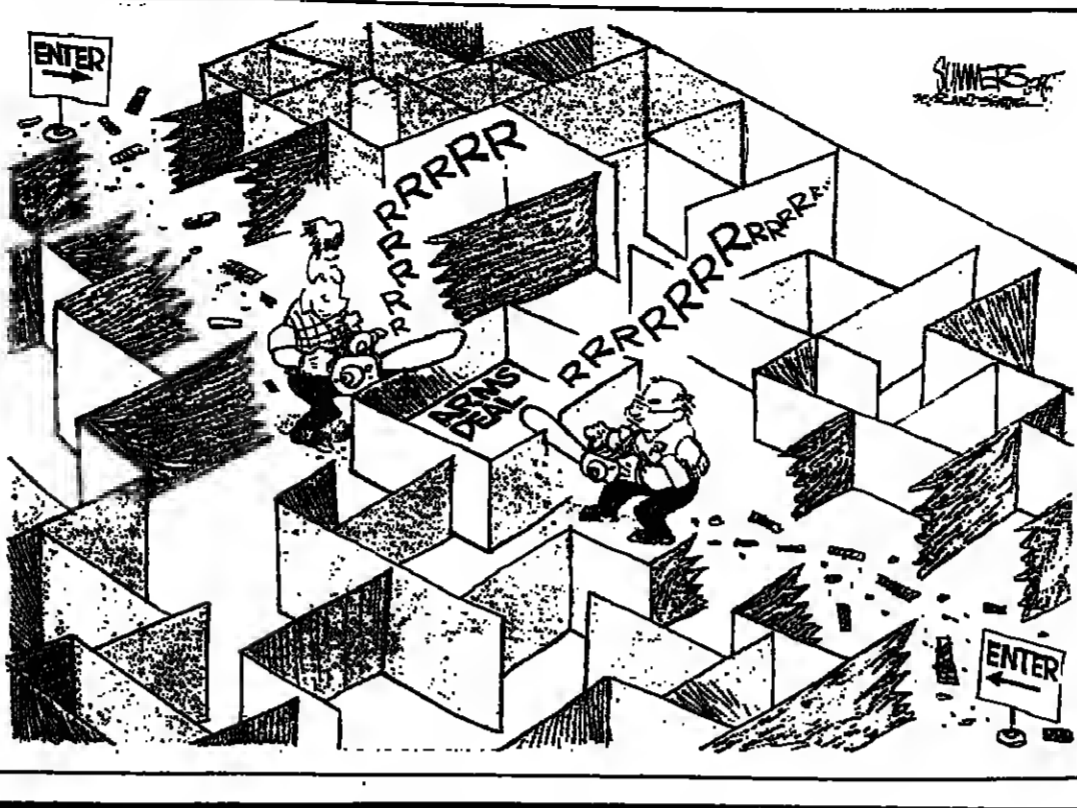
Recently, Soviet soldiers again fired on U.S. soldiers. Summit season is returning. At Moscow, Mr. Gorbachev continued his attempts to rump the advance of SDI...

When the Soviet regime does not play by American rules, as in its recent double-dealing with Mr. Shultz, optimists say that the regime has hindered, implying that it behaves badly by mistake...

Mr. Sherr cites a Soviet ideologist who says that the relationship of the military to the party is that of bricks to a bricklayer. And there is no evidence of any change in the regime's meta-agenda...

Not a Time for Concessions

ALTERATIONS in Soviet attitudes toward the largely comatose, to understand the Soviet view of America it is best to read and listen to what they tell the NATO allies and the neutrals of Europe and the Middle East...



LETTERS TO THE EDITOR

Resistance in Tibet: The Tip of an Iceberg of Discontent

The widespread arrests of Tibetan monks and community leaders, the closing of Tibet to tourists and journalists, the increase of the Chinese political police and military patrols add up to panic in front of a new form of defense by Tibetans of their identity...

When the Chinese first sent troops into Tibet in 1951, they were met with armed resistance. By 1960, however, Chinese troops occupied all of Tibet, and the Dalai Lama and some 100,000 Tibetan refugees had gone to India.

From 1960 to there were 20 years of repression, economic plunder (especially of timber) and systematic efforts to destroy Tibetan cultural identity. Yet by 1982 there seemed to be signs of a change of Chinese policy...

There are basically three items on the Tibetan agenda: territorial status, cultural identity, which currently means a limitation to the transfer of ethnic Chinese to Tibet, and meaningful religious freedom based on the ability to teach, not just practice, rituals.

The demonstrations of October have opened a wedge in the Chinese refusal to consider alternative policies, even

Maybe the Forests Are Dying And Maybe We Know Why

By Marialisa Calta

BURLINGTON, Vermont — The panoramic shots of mountains dotted with dead and dying trees, close-ups of yellowing needles and lifeless branches. The pictures, some taken in West Germany, others in the Appalachian Mountains of the eastern United States, were displayed at a five-day conference that brought together West German and

American scientists. Among the participants at the gathering, which began on Monday, were scientists who study the health of forests from satellite photographs taken 500 miles (800 kilometers) up, those who study roots and seeds, and those who study everything in between.

The scientists agreed, as they have for years, that the trees in both countries were dying for unexplained and complex reasons, apparently a combination of man-made and natural causes. But that was about the extent of the agreement.

The Germans have been studying forest problems since 1979, when silver fir trees inexplicably began dying in the southern part of their country. The decline has since been documented in other species throughout West Germany.

Since then, experts from both countries have exchanged information regularly in scientific journals and at conferences such as the one here.

At this meeting, Peter Schutt, a forest botanist at the University of Munich, spoke eloquently and rather gloomily of "Waldsterben," or "forest death," and of the myriad man-made air pollutants that might be contributing factors.

Mr. Schutt said the diversity of opinions and findings was to be expected because the subject of forest decline was so complex. Examination of the problem requires the study of soils, botany, insects and diseases, biochemistry, climate and air.

Abuse Disguised as Help

From Gary Lee's report on the harrowing conditions of Soviet mental wards (Oct. 22) we learn that "political dissidents were still suffering alongside actual mental patients."

It's All Mere Coincidence

We are all busy finding historical analogies between the great crash of October 1929 and the even greater one of October 1987, and making dire prophecies. I have some good news.

Such analogies rarely work because they stress the odd coincidence and ignore basic differences. For example, the president in 1929 and 1987 were both Republicans who seemed unable to cope with economic crises.

I, too, witnessed forced injections, suicides and a homicide. People incur great abuse disguised as treatment.

NOTES ON A CENTURY On-the-Job Training at the Herald Helps Train a Budding Novelist Letters From the Mailbag The first Evarts letter

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# Putting Cuomo Gossip to Rest

## An Article Tracks Down Rumors and Finds Them False

By Howard Kurtz  
*Washington Post Service*

**NEW YORK** — Rumors about Governor Mario M. Cuomo's supposed ties to organized crime have been circulating for months, and now, to Mr. Cuomo's relief, they are out in the open.

In the current issue of *New York* magazine, a veteran journalist, Nicholas Pileggi, details the rumors and pronounces the stories "misleading and false."

Mr. Pileggi writes that the stories have been "passed around by cops, media people and others in a kind of shadow network of gossip and loose talk."

Mr. Pileggi said most of the rumors had been spread by two people: a Long Island publicity man who worked for the Right to Life candidate in the 1986 gubernatorial campaign, and a conservative aide in the state legislature.

Mr. Cuomo and his aides said they were relieved that the rumors had been reported and knocked down. The governor called the ru-

mors "political garbage distributed by political garbage dealers" and said it was "a price I pay for being an Italian-American."

Mr. Cuomo raised the issue earlier this month when he called a reporter for *The New York Times* and said there seemed to be an organized campaign of rumors that he had decided not to run for president because of past misdeeds by his family. He would not elaborate on the rumors.

The story was amplified when Mr. Cuomo was asked on a televised CBS News interview program about "skeletons in his family closet." The rumors have also been pursued by several other news organizations, some of which, according to Mr. Pileggi, have hired private detectives.

In the magazine piece, Mr. Pileggi, who has covered organized crime since 1956, reported these rumors:

- That Mr. Cuomo's father-in-law, Charles Raffa, 83, was the victim of a mob beating that grew out of a dispute about arson.
- At a 1984 fund-raiser, Mr. Cuomo's campaign received a \$1,000 check from each of five firms that investigators have identified as paper companies set up to avoid paying gasoline taxes. The campaign gave the money to charity after this was discovered, according to Andrew Cuomo, the governor's son

and campaign manager, is quoted as dismissing suggestions of arson because the supermarket had no fire insurance.

- That Mr. Cuomo interfered with the police investigation of the beating and that an arrest of Mr. Raffa for arson was erased from state computers.
- Mr. Cuomo was in Albany on the day of the attack, Mr. Pileggi said, and the state police have a computer record of a 1973 arrest of Mr. Raffa, but on a misdemeanor charge of offering an illegal gratuity. The charge was later dismissed.
- That Mr. Cuomo once represented organized-crime figures as a lawyer in the New York City borough of Queens.
- Mr. Pileggi found only that Mr. Cuomo once represented an association of about 15 junkyards, one of which was partly owned by Joseph Laratro, a member of an organized-crime family. Mr. Cuomo was quoted as saying that he never represented Mr. Laratro personally and that he "got stiffed on the fee."
- That a mobster gave Mr. Cuomo \$30,000 in political donations.

At a 1984 fund-raiser, Mr. Cuomo's campaign received a \$1,000 check from each of five firms that investigators have identified as paper companies set up to avoid paying gasoline taxes. The campaign gave the money to charity after this was discovered, according to Andrew Cuomo, the governor's son



Governor Mario M. Cuomo, who has been the subject of rumors that are now public.

• That Mr. Cuomo's former law firm passed money to a mobster later acquitted of murdering a detective in Queens. Mr. Pileggi found no evidence of this.

Gary Fryer, Mr. Cuomo's press

secretary, said Tuesday that "the most dangerous part of the whole thing is that it was anonymous."

"What really incensed Cuomo was the idea that if you really want to go after an Italian-American, all

you have to do is say the M word," or Mafia, Mr. Fryer said, "and he would instantly be put on the defensive and have to prove to the world it isn't true. That irked him. It touched a chord."

# U.S. Plan To Revamp MX Is Said Not to Work

By R. Jeffrey Smith  
*Washington Post Service*

**WASHINGTON** — An effort by the U.S. Air Force to revamp its force of MX nuclear missiles is not working, Representative Les Aspin, chairman of the House Armed Services Committee, has asserted.

The Wisconsin Democrat raised the possibility that new missiles would be deployed without the guidance systems they would need to hit Soviet targets.

More than a third of the 28 MX missiles deployed in silos in Wyoming lack guidance systems as a result of production delays by a key contractor, the Northrop Corp. The company promised in August to produce six new guidance systems per month. Mr. Aspin said, but new production and testing problems have cut this to half.

"Obviously, if these problems persist, there is serious question as to whether the schedule will ever get back on track," he said. "This means we face the prospect of continuing deployment of MXs without guidance systems that may not perform as required."

President Ronald Reagan has called the \$19 billion MX intercontinental ballistic missile the centerpiece of his nuclear weapons modernization program. The air force has described the missile's accuracy as its most vital characteristic.

Earlier this year, however, the air force suspended MX flight tests because of what Brigadier General Charles A. May Jr., the air force's deputy director for advanced programs, said were growing concerns about the missile's accuracy.

In August, the Justice Department sued Northrop to recover some of the costs of testing the MX guidance system; the air force has continued to withhold some of its payments to the company for MX work.

Mr. Aspin also said a major air force review of Northrop's management of the program, scheduled this month, had recently been postponed until 1988 because "simply stated, the contractor cannot pass the audit."

# UN Warns of Insolvency if U.S. Doesn't Pay Dues

By Paul Lewis  
*New York Times Service*

**UNITED NATIONS, New York** — Secretary-General Javier Pérez de Cuellar has written to President Ronald Reagan warning that the United Nations faces insolvency in a few weeks if the United States does not pay a substantial portion of its annual contribution by then, according to UN officials.

The secretary-general's letter was delivered Monday to Vernon A. Walters, the chief U.S. delegate to the United Nations, who said he would try to deliver it to Mr. Reagan.

The letter implores the president

to press Congress to ensure full and prompt payment of the \$212 million American share of the organization's budget this year.

The officials said the United Nations would be unable to make salary payments in December to its New York headquarters staff of roughly 6,500 people unless additional funds could be found. If the United States does not come up with a contribution, some UN officials say they may ask other countries for additional voluntary payments to fill the gap.

Of its \$212 million assessment toward the UN headquarters budget of nearly \$800 million, Wash-

ington has paid only \$7 million. In addition, the United States owes \$147 million from last year for the general budget and \$61 million to support Middle East peacekeeping forces.

By contrast, the Soviet Union, after treating the United Nations with suspicion for decades, is now presenting itself as a firm supporter of the world body, and it recently agreed to pay off all its budgetary arrears.

The withholding of American funds originally amounted to a lever to win approval of changes in the organization's administrative practices. The measures were in-

tended to streamline the UN bureaucracy and give big contributors more say over how their money is spent. In return, the Reagan administration promised to restore its full share of financing.

But now that it is failing to do so, many Third World countries argue that the agreement on administrative changes is no longer valid.

Some of these countries, diplomats say, also are considering asking the International Court of Justice in The Hague for a ruling that the United States is in breach of its obligation to the United Nations.

UN officials are becoming increasingly gloomy about prospects for U.S. congressional action. With

the stock market upheaval increasing the pressure to cut the federal budget deficit quickly, these officials are lowering their forecasts of what the United Nations might eventually receive.

Last month the Senate appropriated \$141.7 million and the House of Representatives \$97.5 million for the organization's headquarters in New York.

But since then, additional budgetary pressures have further compressed the appropriations, which are still in committee. The Senate appropriation has dropped to \$120 million, and the House figure to \$60 million, according to congressional staff members.

# U.K. Puts Pressure on Reagan to Raise Taxes and Cut Deficit

By Howell Raines  
*New York Times Service*

**LONDON** — Prime Minister Margaret Thatcher has put her government squarely behind international demands that President Ronald Reagan reduce the U.S.

budget deficit even if it means raising taxes.

The chancellor of the Exchequer, Nigel Lawson, has publicly pledged to "keep up the pressure on the United States" to take these steps. Other British government of-

ficials say that Mrs. Thatcher now believes that the time has come for Mr. Reagan to swallow his ideological objections to tax increases.

"We've not generally prescribed the way in which it should be done," one official said Wednesday,

explaining Mrs. Thatcher's belief that the U.S. deficit was a key element in the international economic crisis. "That might be described as being presumptuous, but one obvious way is tax increases."

The official said Mrs. Thatcher had made her point about the need for tax increases to Mr. Reagan in a "substantial way" by pointing out that when she faced a rising deficit early in her term, she raised some taxes temporarily. The projected British deficit for this year is a modest \$6.8 billion compared to \$170 billion in the United States.

Such urging from Mrs. Thatcher, generally viewed as Mr. Reagan's most important international ally on economic policy, is significant because it reflects the depth of European concern, and it also represents a longstanding division between Mrs. Thatcher and Mr. Reagan on supply-side economics. She has never believed in the Laffer Curve theory that lowering taxes increases revenues.

The increasingly public campaign by Mrs. Thatcher and Mr. Lawson also reflects the degree to which the London stock exchanges are linked to economic conditions in the United States. Experts said Mrs. Thatcher was eager for some

stabilizing moves from Washington between now and Friday, when she must decide whether to go ahead with a \$12.2 billion offering of British Petroleum stock.

Mr. Lawson, who has curbed Britain's deficit while bringing the base income tax rate down from 33 percent to 27 percent, has been the point man for Mrs. Thatcher. He first called on the Reagan administration to increase taxes last week, and he said Tuesday that he had been in touch by telephone with Treasury Secretary James A. Baker 3d.

Reporting his contact with Mr. Baker to the House of Commons, Mr. Lawson said: "I think it is very important that we continue to keep up the pressure on the United States. The president has made statements showing a lesser degree of unwillingness to raise taxes than has ever been the case before."

Mr. Lawson added that there was "general agreement" in Parliament that Mr. Reagan needed to increase taxes and decrease public expenditure as quickly as possible.

The chancellor has also called on Japan and West Germany to reduce their trade surpluses and criticized West Germany for monetary policy "that is really rather too tight." But the massive fiscal and trade deficits, and their implications for the world economy and the London financial markets, have been the main focus of his concern.

Because of the linkage between the London and New York markets, British officials believe that Mr. Reagan must do more than simply authorize his advisers to meet with congressional leaders, said Deane Julius, director of economics at the Royal Institute of International Affairs.

"There are a number of things the president could do immediately, such as imposing a crude oil tax or other immediate revenue measure," she said, adding that Mrs. Thatcher and Mr. Lawson would welcome such a swift "symbolic" move.

The prime minister's advice to Mr. Reagan has a slight 1-to-10-yet-so flavor. Officials noted that she had been warning Mr. Reagan about the deficit for several years. Mrs. Thatcher told aides Tuesday that she was prepared to quote a 1983 speech in which she told the House of Commons that she would not follow the Reagan administration's example in deficit financing because it "will cause great trouble."



# A Tree-House Hero's Rise and Fall

By Dirk Johnson  
*New York Times Service*

**ST. LOUIS PARK, Minnesota** — Once, Mark Tucker was just another insurance salesman living in this western Minneapolis suburb.

And then came the tree house controversy.

Mr. Tucker fought city hall, stood up for the rights of the "little guy" and affirmed the love and commitment between father and son. It was all so inspiring that television crews from New York to Tokyo came here to document the story of a man portrayed as a folk hero.

This fame came to Mr. Tucker, 38, after he built a tree house in his yard. Years ago, he said, he had promised his son, Ross, that he would build him that tree house. When Ross was 16, and left home after a quarrel, Mr. Tucker recalled the vow he had failed to keep.

"I felt real guilty," he said. "It became an obsession."

So early in 1986 he temporarily put aside his job as an insurance salesman. He worked full time for months to build an elaborate, seven-tiered structure around an ancient maple tree, and he named it Ross's Lookout. The son, touched by the effort, returned home.

But the hearts of city building inspectors were not warmed. They said that the tree house was a danger to neighborhood children who played in it and that it did not conform to the municipal building code. They threatened to have it demolished.

Mr. Tucker mounted a series of legal challenges against the authorities, and neighbors rose to his defense. A townspeople circulated a petition and 1,700 people signed it.

A party was thrown in the tree house to build a legal defense fund.

Once, Mark Tucker was just another folk hero living in this western Minneapolis suburb.

And then came the apartment house controversy.

Some of the tenants living in Mr. Tucker's seven Minneapolis apartment buildings declared that the tree house probably was more habitable than his buildings.

"That lousy, no-good" man "is

court sentenced him to 10 days in jail for a number of infractions, including the rental of apartments to tenants after the buildings had been condemned.

Mr. Tucker, who is scheduled to serve his jail time in November, insists that his apartment buildings are not in such bad shape. "Mice? Roaches? Who doesn't have them?"

He believes the favorable publicity resulting from the tree house crusade led to the housing charges. City officials deny this.

"Somebody didn't like to see everybody rallying behind me," he said. "They didn't like that I was the good guy."

For now, the city has posted a "stop work" notice on the tree house, effective until Mr. Tucker can get a structural engineer to attest to its safety.

He contends that no other tree houses in St. Louis Park have been put to that test. And as for its structural stability, he notes, about 80 people stood in the tree house at one time during the fund-raising party, and it did not collapse.

Mr. Tucker says he believes this is a fight he will win.

"I think there might even be a cotton-picking movie in all this," he said.

Meanwhile, local news organizations have become somewhat skeptical of Mr. Tucker, after what some see as an excessive early coverage. The *Twin Cities Reader*, an alternative newspaper, asserted that reporters were initially taken in by him, that they couldn't "see the forest for the trees."

"If the media was fooled by Tucker," the newspaper asked, "how often are we getting lost in the woods?"

Of his jail sentence for renting condemned apartments, Tucker said, "They didn't like it that I was the good guy."

no hero," said Michelle Wyatt, a tenant who, along with her six children, was forced to leave her apartment after inspectors had deemed it unlivable.

"He's one of the worst slumlords in the city," said Richard Parker, the head of the North Side Residence Redevelopment Council, a housing rehabilitation group. "He's got mice, rats, vermin running all over these places where little kids live."

Indeed, Mr. Tucker has been convicted of housing code violations 14 times since 1983. And in early October, Judge Steven Lange of the Hennepin County district

Watch the world go by from the front porch. Call home. Thinking back on the world you left behind? A talk with the folks back in the States will bring it all back to life. So go ahead. Reach out and touch someone.®



# Nearing Deadline, Ministers Meet on Central American Pact

By Julia Preston  
*Washington Post Service*

SAN JOSE, Costa Rica — With little more than a week until the deadline of the Central American peace plan, the foreign ministers of the five nations that signed the accord have begun meeting again as each country scrambled to impose its own interpretations of the complex pact.

A consensus prevailed Tuesday that the peace process was still lumbering forward. The accord, based on a proposal by President Oscar Arias Sánchez of Costa Rica, was signed Aug. 7 in Guatemala and is to take effect Nov. 5.

"Something has changed in Central America," Foreign Minister Rodrigo Madrigal Nieto of Costa Rica, said Tuesday, speaking of the effect of the accord. "A refreshing spirit of dialogue prevails."

In an apparent reference to the Reagan administration, which has criticized the accord as too easy on Nicaragua, he called the ministers' meeting that began Tuesday "a firm refutation" of "adverse" views on the pact.

He also chastised his fellow ministers for dragging their feet and warned them not to settle for "a halfway compliance that covers only superficially the letter of the agreement."

[The Reagan administration, beset by pressures from leaders in Central America and in the U.S. Congress, is said by administration sources to be considering holding off until January before seeking a vote on \$270 million in additional aid to the Nicaraguan rebels, known as contras. The Associated Press reported from Washington.]

[Secretary of State George P. Shultz said earlier this month the administration was planning to ask Congress for a vote sometime in November. However, on Tuesday, several officials said that the administration is having second thoughts about a November vote, for a variety of reasons.]

On the sidelines, several political leaders of the Nicaraguan rebels tried to stage a dramatic return from San José to Managua, according to one of them, Alfonso Robelo Callejas, the head of the Honduras-based Nicaraguan Democratic Force.

However, Nicaragua ordered airlines not to allow them to fly in.

The ministers of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua hope to outline an order of events by which all five nations will begin to honor clauses calling for cease-fires, a broad amnesty for rebel fighters, peace dialogues between governments and opposition groups and an end to foreign aid to rebel armies.

Points of disagreement remained. Foreign Minister Miguel d'Escoto Brockmann of Nicaragua dismissed reports that his government might be moving closer to indirect talks with the contras through the mediation of Cardinal Miguel Obando y Bravo, the Roman Catholic primate of Nicaragua.

The pact does not require any government to meet with armed rebels, but Mr. Arias has called for such talks. Father D'Escoto said that if any contacts were made between his government and the contras, they should not be aired publicly. He added, "When the United States stops financing the contras, then there will be a negotiated cease-fire."

Foreign Minister Alfonso Cabrera Hidalgo of Gu-

atemala said there was no need for a negotiated cease-fire in his country because there was no war.

A Honduran delegate said his government planned no measures to urge guerrillas remaining on Honduran soil to move into Nicaragua, as the pact stipulates. He said that the publication of the text of the accord in Honduras was pressure enough on the contras.

■ **Killing Threatens Talks**

Rebels fighting the government of El Salvador threatened Tuesday to break off peace talks because of the killing of one of the country's most outspoken human rights crusaders. The New York Times reported from San Salvador.

Western diplomats said the killing of Herbert Aya Sanabria, the head of the nongovernmental Commission on Human Rights in El Salvador, appeared to be an attempt to silence the left and sabotage the peace accord.

It inflamed passions as the National Assembly began debate Tuesday on an amnesty proposed by President José Napoleón Duarte under the terms of the accord.

## Socialists In Spain Suffer Split Over Budget

By Paul Delaney  
*New York Times Service*

MADRID — Facing strong union dissent and increasing pressure, Spain's governing Socialists are defending their budget proposals as necessary for continued economic growth.

Union leaders have protested what they consider inadequate wage and benefits proposals in the package and have scheduled a series of demonstrations beginning Thursday. The Socialists were shaken by the resignation from the Cortes, the parliament, last week of the head of the largest union.

Coupled with demonstrations against the renewal of a military pact with the United States and the possibility of campus unrest, there is concern that the country may see a resumption of the widespread protests and strikes, some of them violent, that rocked Spain for much of the first half of the year. After the unrest, the Socialists suffered serious setbacks in regional and municipal elections in June.

Political experts say the government cannot allow the country to go through another period of wrenching protests without the Socialists suffering further damage.

The more serious problem for the government is the rift with its longtime labor ally, the General Union of Workers, and the resignation from parliament of Nicolás Redondo Urbieto, the union's general secretary. Mr. Redondo, 60, was once considered a possible leader of the Socialist Party.

The parting of ways came in a dispute over government proposals to limit wage and benefits increases in order to fight inflation. Contract talks have been going on for several weeks, with the two sides far apart. The government has proposed salary increases of 4 percent; the union wants 5.5 percent, with more money for retired people and the unemployed. Rather than line up with fellow Socialists, who have an overwhelming majority, and vote on the budget, Mr. Redondo and an aide gave up their seats.

The Socialist union has joined with its Communist counterpart, the Workers' Commissions, the second largest trade union, in calling the protests. Although the Socialist union generally keeps its more leftist colleagues at some distance, the two groups separately spearheaded the earlier strikes and protests. The joint demonstrations would be the first held by the two sides on a national level since 1985.

Some officials were upset by the dispute with Mr. Redondo. Interior Minister José Barrionuevo Petha termed it "bad news." Enrique Muga, a party leader, said the resignation should never have been allowed to occur.

Luis Garrido Medina, professor of sociology at Complutense University, said a break was a must for the union because, with the approach of elections in which workers select their union representation, it was important not to be too closely associated with the government.

Regarding the bases, negotiations were to resume this week, but both sides agreed to postpone the session until Nov. 5 and 6. Organizers have planned demonstrations in several cities leading up to Nov. 13, when Spain must formally say if it does not want the treaty extended beyond next May.

The main object of the protests is Torreón Air Base, just outside Madrid, and a wing of F-16 fighter jets based there. Participants in a demonstration held Sunday included a few Socialist Party officials, among them the mayor of Madrid, Juan Baranaco, and Joaquín Leguina, head of the Madrid regional government.



CHILEAN JOURNALISTS PROTEST — In Santiago, journalists brandished signs that read "End Censorship" as they demonstrated against restrictions placed on the press by the military government of Augusto Pinochet.

## Party Quits Coalition In Panama

Reuters

PANAMA CITY — The military-backed government was split on Wednesday after Vice President Roderick Lorenzo Esquivel pulled his Liberals out of the five-party ruling coalition.

Mr. Esquivel said he wanted to join the fight for democratic reform in Panama.

He has frequently urged wider democratic freedoms in the nation, which has seen five months of protests aimed at removing the de facto ruler, General Manuel Antonio Noriega, the commander of the National Defense Force.

The almost daily protests began when General Noriega's former deputy, Colonel Roberto Diaz Herrera, accused him in June of crimes including murder and corruption.

Mr. Esquivel stressed that although his party had left the coalition, he was not resigning as vice president.

"I remain vice president, but as an independent," he said Tuesday.

The Liberal Party voted Tuesday to leave the coalition. It said in a resolution that intended to follow "an independent line" and "to intensify our struggle for a true and early democratization of our country."

The opposition portrays President Eric Arturo Delvalle as General Noriega's puppet.

"This is a definitive break with Delvalle," Mr. Esquivel said.

Mr. Esquivel has been under pressure to resign since Mr. Delvalle closed the vice president's offices last week and dismissed his 18 staff members, saying they were an unnecessary expense.

The opposition planned to hold a nationwide anti-Noriega protest on Wednesday in defiance of the government, which has banned the demonstration.

## Uganda Leader Vows to Crush Insurgents

Reuters

ENTEBBE, Uganda — President Yoweri Museveni of Uganda has ruled out peace talks with the rebel Holy Spirit Movement, saying his government's policy is to crush the insurgents.

"If you want to know my opinion about talking to rebels, it will be a disaster not to crush these fellows once and for all," he said at a news conference at Entebbe airport south of Kampala on Tuesday night on his return from a three-week trip abroad.

Mr. Museveni's National Resistance Army is chasing the Holy Spirit Movement through the bush about 55 miles (89 kilometers) northeast of Kampala.

The rebel group's leader, Alice Lakwena, 27, and her 2,500 followers say she is a prophetess who receives messages from God through the Holy Spirit Lakwena and that God has given her a mission to overthrow Mr. Museveni.

The president dismissed Miss Lakwena as a nuisance with a psychiatric problem and predicted that his army would either kill her or capture her within a few weeks.

"It is not necessary to paper our differences with these people," he said. "We must crush them and that is our line."

Since Mr. Museveni left for his trip to Canada, the United States, France, Algeria and Ghana, the Holy Spirit Movement has moved from the far east of Uganda to within a few miles of Jinja, the country's second largest city.

On its march, the movement has intermittently disrupted road and rail links between Kampala and the Indian Ocean. Those links carry the vast bulk of landlocked Uganda's exports and imports.

The last major engagement took place on Sunday, when government forces fought off a rebel assault on Magamba barracks near Jinja and then counterattacked a rebel encampment to the north.

The government said that it killed more than 200 members of the Holy Spirit Movement in the two battles and that the rebels had dispersed into small groups.

The government newspaper New Vision said on Wednesday that fighting resumed on Tuesday about 17 miles northeast of Jinja, but gave no details.

The U.S. Agency for International Development had been considering buying new trucks for northern Ethiopia. The attack, however, has "put everything on the back burner," according to Rick Machmer, the agency's director in Ethiopia.

## Ethiopia Rebels Warn of Raids on Food Convoys

By Blaine Harden  
*Washington Post Service*

NAIROBI — The Ethiopian rebel group that last Friday ambushed and burned a convoy of UN trucks carrying emergency food has threatened to attack other famine-relief convoys in the north of that country.

A spokesman for the Eritrean People's Liberation Front said that unless the rebels were informed in advance about the movement of UN convoys, they would assume that the trucks were being used as camouflage for military activities of the Ethiopian government.

"It is not the wish of the EPLF to deter relief activities, but if we are not informed of what is going to happen, we don't have any choice," said Tesfaye Ghermuzian, the Washington spokesman for the rebel group, on Tuesday. "We cannot be blamed for any consequences and casualties that might happen."

In the Ethiopian capital, Addis Ababa, a senior UN official replied that "it is out of the question" for the UN emergency operation to establish contact with the rebels.

"In Ethiopia, we don't have any contact with any organization other than the government, and we certainly cannot start such contact," said David Morton, director in Ethiopia of the UN's World Food Program.

The face-off between the Eritrean rebels and the United Nations comes as Western donors are trying to send supplies of relief food into the northern Ethiopian regions of Tigre and Eritrea, where severe drought threatens at least one million people with starvation.

If large amounts of food do not reach the north by December, donors say large numbers of destitute people will migrate into famine shelters. It was in such shelters in 1984-85 that hundreds of thousands of people died.

The attack on Friday, in which rebels destroyed 23 long-haul trucks along with 450 tons of wheat that could have fed 45,000 people for a month, was an unexpected setback for relief officials.

"We have lost a lot because of this," Mr. Morton said. "We have lost time. We have lost food. We have lost trucking capacity. And there is now uncertainty about whether any trucks can move freely in that part of the country."

Lack of transportation is the major obstacle to moving the 400,000 tons of food aid that donors say is needed to stave off famine in northern Ethiopia next year. The attack destroyed about 40 percent of the UN's long-haul vehicles in Eritrea and Tigre.

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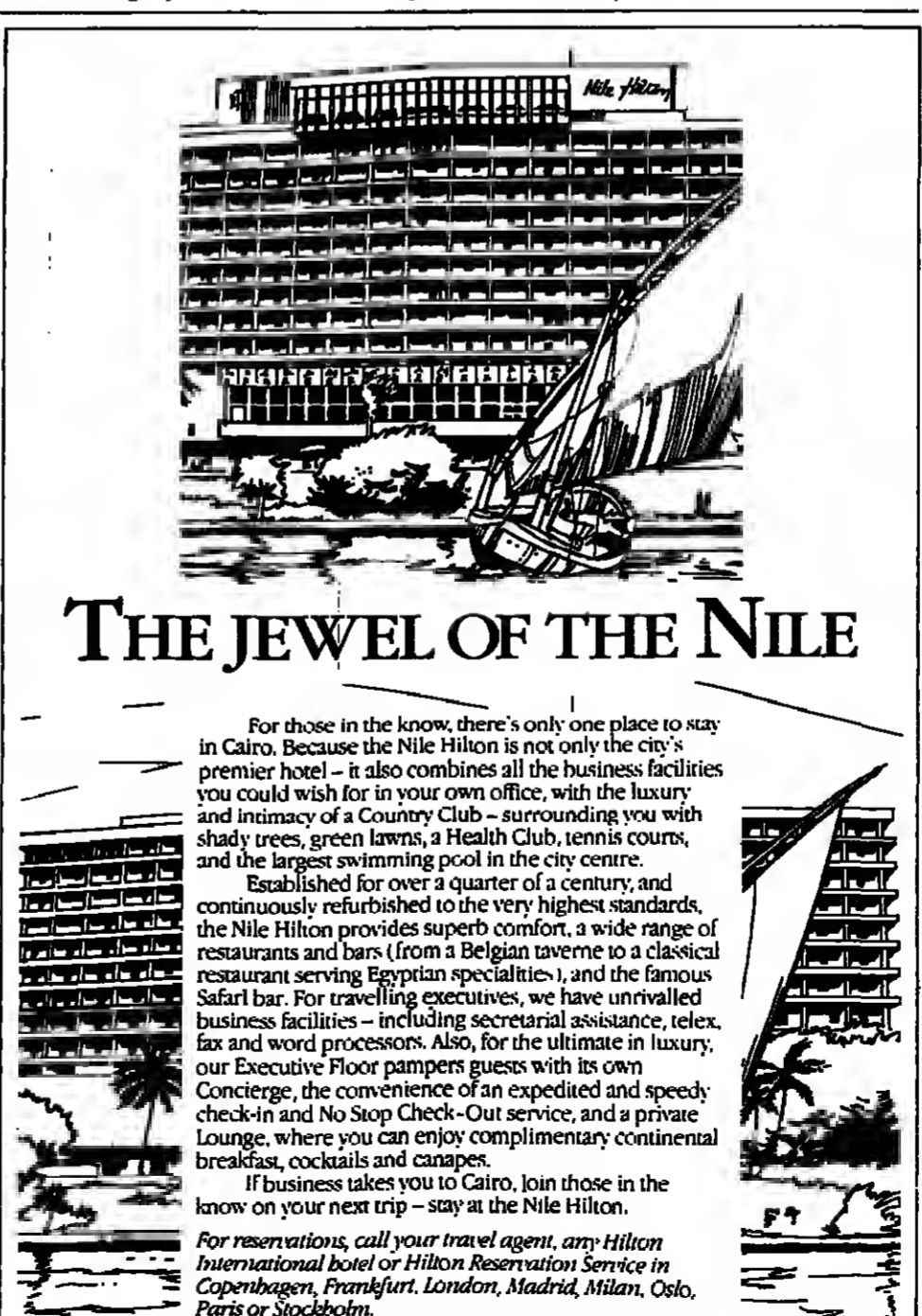
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Malaysia Seizes 63, Closes 3 Papers as Racial Unrest Rises

By Michael Richardson International Herald Tribune SINGAPORE — The Malaysian government banned on Wednesday all public rallies and closed three newspapers. The police continued to make arrests in a crackdown that officials said was aimed at defusing racial tensions.

The arrests, under Malaysia's Internal Security Act, began Tuesday. By Wednesday 63 persons had been jailed, many of them politicians from government as well as opposition parties.



Lieutenant Colonel Victor Raphael, center, the U.S. military attaché accused by the Philippine press of meddling in a coup attempt, will be transferred, the U.S. Embassy said.

ATTACKS: 3 Americans, Philippine Bystander Slain

(Continued from Page 1) for military personnel to restrict their off-base travel to well-travelled roads. The killings followed repeated warnings from the Communist New People's Army that they were prepared to escalate their 19-year insurgency by attacking American targets.

Such a turn of events would also pose new policy risks for the United States, which has for the most part avoided being directly drawn into the Philippine counterinsurgency effort.

As he ticked off a list of Mr. Deaver's lobbying clients and stressed the large fees they paid him immediately after he left the White House in 1985, Mr. Seymour asked what he called "a critical question you're going to have to ask yourselves: 'Why? What were they buying?'"

U.S., Vietnam Meet on MIAs

UNITED PRESS INTERNATIONAL BANGKOK — Six U.S. military specialists arrived Wednesday in Hanoi to discuss the recovery of the remains of Americans missing as a result of the Vietnam War, U.S. Embassy officials said.

Under the Internal Security Act, persons deemed to be a threat to national security can be arrested and held without formal charges and without trial for indefinite, renewable 60-day periods.

The U.S. ambassador, Nicholas Platt, has confirmed that Colonel Raphael was inside the camp during the coup attempt, but he maintained at a news conference on Oct. 22 that the colonel was only "doing his job" and that he remained a "trusted member" of the embassy staff.

As expected from the pretrial disclosure by the defense that Mr. Deaver was a recovering alcoholic, Mr. Miller told the jury that his client's "drinking problem had gotten out of control" in 1985.

Mr. Deaver, he said, was being hounded by a prosecutor intent on making a case out of a handful of answers the former Reagan aide had made among more than 1,050 answers given in 11 hours of congressional and grand jury testimony.

André Masson, Surrealist Artist, Dies

PARIS — André Masson, 91, one of the last great surrealist painters, died at his Paris home on Wednesday, family friends quoted by Agence France-Press said.

"Rational" painting, they believed, was too deeply embedded in society to realize art's role as a social dynamic. "All are in reaction to something," Mr. Masson said. "Surrealism was part of an attitude that said, 'we have to have something new.'"

Mr. Masson also illustrated books and designed ballet sets. His work is displayed in galleries and museums of contemporary art in Europe and the United States.



André Masson

Mr. Hétion eventually introduced symbolism, using such objects as a loaf of bread, a bowl of soup and a black umbrella to portray the ordinary work-a-day world.

DENG: A Request to Stay

(Continued from Page 1) that is likely to follow a predetermined course in endorsing the economic reforms introduced by Mr. Deng. Mr. Zhao, and their allies in the government and party.

Escorts & Guides section listing various travel services such as Aristocats, Zurich + Caroline, and Geneva Escort services.

International Classified section with a grid of advertisements for travel agencies, guides, and services across various cities like London, Paris, and Geneva.

Escorts & Guides section listing various travel services such as CARMELAS INTERNATIONAL, KATRINA ESCORT SERVICE, and other agencies.

Deaver Trial For Perjury Opens in Washington

By Bill McAllister Washington Post Service WASHINGTON — A federal jury has been asked to see Michael K. Deaver's fall from power as either the tale of a Reagan administration insider anxious to trade on his position for millions of dollars in lobbying fees or the story of a dedicated but seriously ill Reagan loyalist reluctant to leave the side of the president he admired.

Soviet Ring in Greece Got U.S. Missile Data

By Paul Anastasi New York Times Service ATHENS — The Soviet Union, through a military intelligence operation in Greece, acquired special access to the Stinger missile and developed an almost identical weapon, according to a Greek security official with immediate knowledge of the case.

Moscow Offers to Allow U.S. Inspection of Radar

By Michael R. Gordon New York Times Service WASHINGTON — The Soviet Union has offered to allow U.S. officials to inspect two radars that some conservative senators assert may violate an arms control accord, according to Reagan administration officials.

REAGAN: Soviet Official to Visit

(Continued from Page 1) range nuclear force treaty, Mr. Reagan said Monday that although there might still be details to be worked out, "we do believe that it is going to be signed."

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SCIENCE

Skeletons Give Clues to Work, Burdens of Life

IN BRIEF

Tie Between Creativity and Insanity

WASHINGTON (WP) — A study of well-known creative writers confirms the long-held view that there is a link between "genius" and "insanity." Eighty percent of the writers were found to have suffered at least one episode of mental illness, usually manic-depressive illness or depression, compared with 30 percent of a group of nonwriter professionals matched for IQ, age, sex and socio-economic status.

Study Questions Low-Sodium Diets

BOSTON (AP) — A preliminary study has questioned years of doctors' advice to patients with high blood pressure that they eliminate sodium from their diets. The study of five men with hypertension confirmed that table salt clearly aggravates high blood pressure, but it also suggested that many other forms of sodium have no effect.

Mice Produce Human Heart Medicine

NEW YORK (NYT) — Scientists have transplanted the gene for a human protein, considered promising as a treatment for heart attacks, into female mice, causing the animals to produce the substance in their milk.

By John Noble Wilford  
New York Times Service

THE life one lives can leave an indelible mark on the bones, and anthropologists are perfecting their ability to find in human skeletons clues not only to diet and disease but also to the daily activities and occupations of people long dead.

In a particular enlargement of the ulna, one of the two forearm bones, an anthropologist can begin to reconstruct the image of a spear-throwing hunter. In the skeleton of a modern American, such an enlargement makes it likely that he was a baseball pitcher in his youth.

Other clues are the signs of osteoarthritis of the spine and tiny fractures in the neck area that afflict Acaulco cliff divers who repeatedly hit the water head first; irregularities of the lower jaw attributed to a career of playing the clarinet; golfer's toe; dog-walker's elbow; and cowboy's thumb, which results from the multiple fractures from gripping the saddle horn while flying off horses in rodeos — or mechanical bulls in barnrooms.

Drawing on his experience as a forensic anthropologist, as well as the records of industrial and sports medicine and paleontology, Kenneth A.R. Kennedy, a professor of ecology and systematics at Cornell University and a specialist in Asian anthropology, has compiled the first list of more than 140 established skeletal markers of what he calls occupational stress.

Knowledge of these markers helps paleontologists re-create the living conditions of thousands of years ago and has become an effective tool of forensic scientists who try to identify the remains of people who died more recently.

Dr. Kennedy's analysis of stress markers will be published next year as part of a book, "Reconstruction of Life from the Skeleton," edited by him and M. Yasar Iscan, an anthropologist at Florida Atlantic University in Boca Raton.

A careful examination of bones can reveal maturation patterns of prehistoric people, nutrition, diseases and age at death. A thickening of cell tissues in the spongy area of bones, for example, is evidence that the bones were trying to produce enormous amounts of red blood cells in response to severe anemia.

A Life's Story Written in Bone

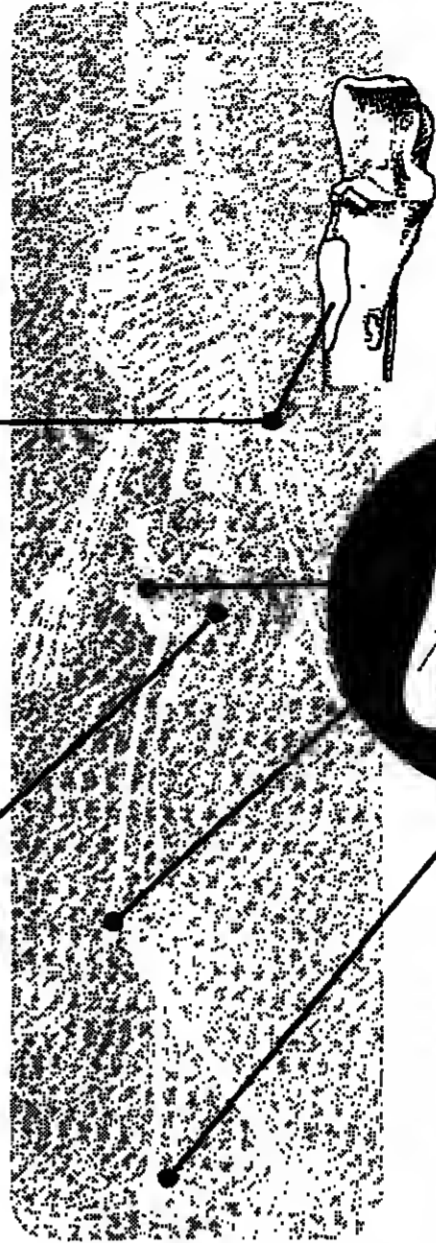
Forensic anthropologists are learning to identify signs of occupational stress in human skeletons. This helps scientists reconstruct the way people lived long ago.



Irregularities have been noted in the upper forearms of Ice Age men who hunted with spears.



Abnormal facets at the base of the spine are linked to pressures of carrying infants, as when African women carry children on their backs.



Enlarged crest on forearm

is the result of habitual throwing. The bony ridge indicates that muscles attached there were abnormally large. Today, similar abnormalities develop in the forearms of baseball pitchers.

A combination of irregular facets and grooves in the hip, near the knee and at the base of the shinbone are marks of people who spent much time squatting instead of sitting. Since these marks are seen in Neanderthal skeletons, those prehistoric ancestors are assumed to have squatted, perhaps by fires.

largement of the ridge indicated that the muscles there were larger than usual, presumably the result of stresses of habitual throwing. He speculated that the man could have been a left-handed baseball pitcher.

In this case, the clue did not lead to an identification of the remains; other police investigations did that, and also turned up the fact that the man had indeed been an amateur softball pitcher for 20 years. Dr. Kennedy was encouraged to believe in the validity of occupation stress markers in forensic anthropology.

Subsequently, he studied the skeletons of Ice Age people found in central India and noted a high incidence of the same hyperdeveloped supinator crests in the right arms of the males, but not in the females.

From this and other studies, Dr. Kennedy concluded in a 1983 report that this was a reliable marker of hunting people who used spears, bolas, slings and boomerangs.

Another clear example of occupational stress on the skeleton was detected in a 3,000-year-old Egyptian mummy. The finger bones of the right hand showed signs that ligaments were attached in a way attributed to flexion of the fingers in a firm grasp, as in the hold on a stylus. This made sense, because the mummy was identified from historical sources as a scribe. And other bones indicated that the man spent much of his life in the cross-legged posture of Egyptian scribes.

Forensic anthropologists conceded that these were easy cases because the behavior of the subjects was already known or later established by other means. But the experience gave them confidence in their analytical techniques.

They also cautioned that, in all cases, other information will be necessary in making positive identifications of a person's activities. For example, a clearly identical bony surface tumor is found in the humerus, the long bone of the upper arm, of javelin-throwing Stone Age Saharans and modern golfers.

A complete and more reliable reconstruction of someone's life must be inferred from ethnographic accounts and archaeological and historical sources, anthropologists said.

Still, with a detailed examination of a skeleton, Dr. Kennedy said he conceivably could identify a clarinet-playing, kayak-paddling baseball pitcher.

British anatomists and surgeons in the late 19th century were among the first to recognize that the skeleton may reveal a broad spectrum of irregularities that could be related to life habits.

In autopsies of workers, they noted a pronounced curvature of the spine toward one side that resulted from a life of carrying heavy loads. They saw evidence of spine curvature and pelvic deformation from long periods of sitting at a weaving loom, combined with poor nutrition.

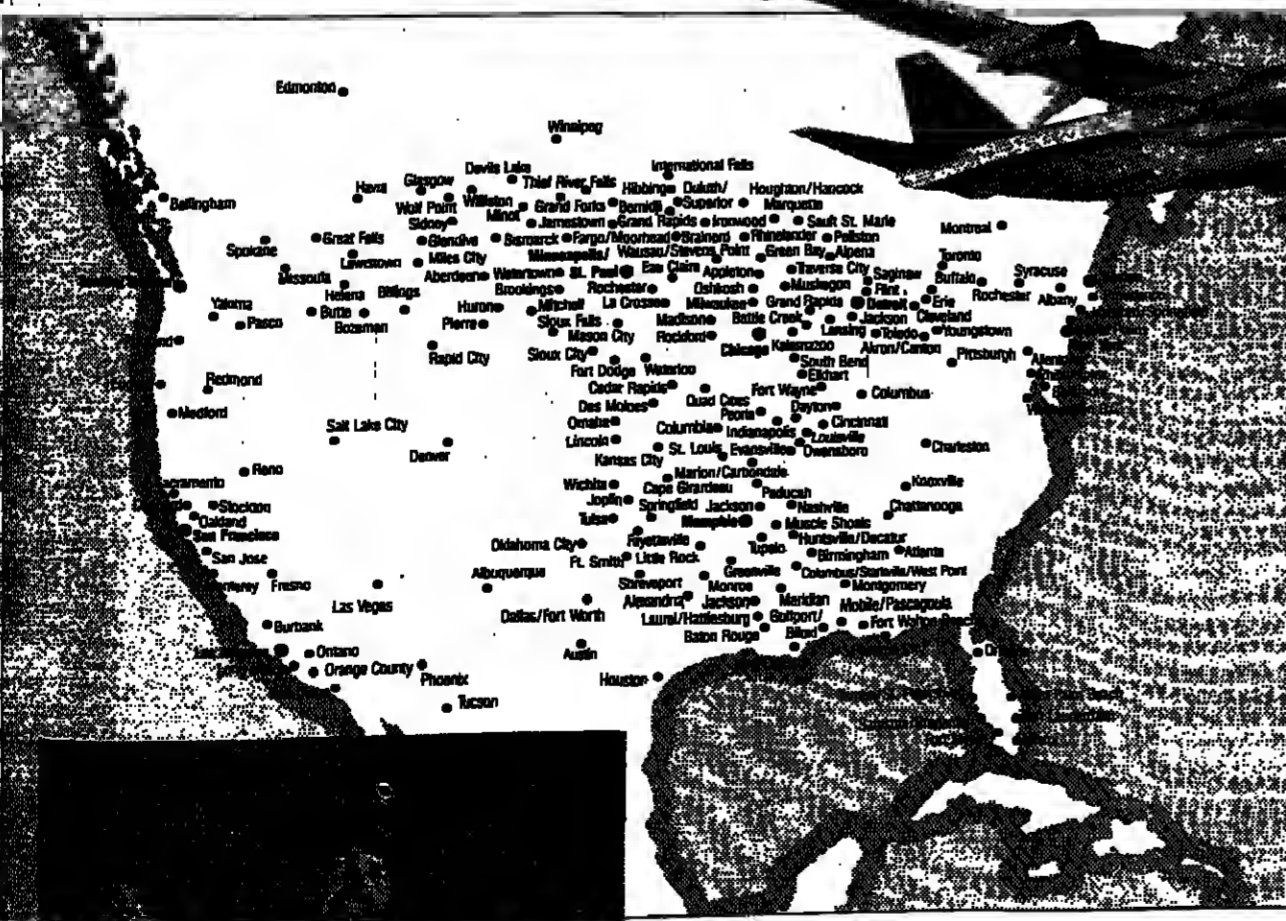
J. Lawrence Angel, who died last year and who was curator of physical anthropology at the Smithsonian Institution in Washington, awakened interest in recent years in applying the methods to studies of early cultures. He correlated skeletal changes in the pelvis and lower limbs of ancient Greeks to stresses from walking in rough terrain, and identified many diseases that afflicted ancient Aegean people and prehistoric Americans.

Dr. Kennedy became interested a few years ago when the remains of an unidentified person were brought to Cornell's human biology laboratory. The person had probably frozen to death, and his body was found weeks later, after the snow had melted. The police were seeking help in identifying the body, a clearly identical bony surface tumor is found in the humerus, the long bone of the upper arm, of javelin-throwing Stone Age Saharans and modern golfers.

Examining the skeleton, Dr. Kennedy said he saw the "hyperdevelopment" of the supinator crest on the ulna of the left forearm — the ridge where certain muscles are attached to the bone. An en-

largement of the ridge indicated that the muscles there were larger than usual, presumably the result of stresses of habitual throwing. He speculated that the man could have been a left-handed baseball pitcher.

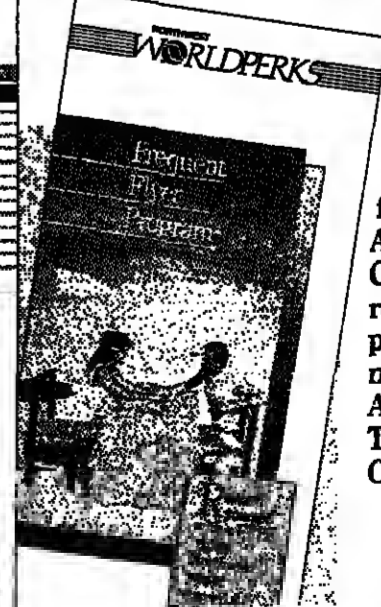
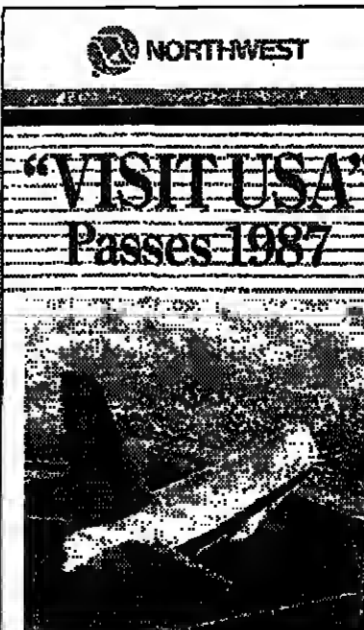
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NYSE Most Actives table with columns: Vol, High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE prev. close, etc.

NYSE Index table with columns: Composite, High, Low, Close, Chg.

Wednesdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: High, Low, Close, Chg.

NASDAQ Index table with columns: Composite, High, Low, Close, Chg.

AMEX Most Actives table with columns: Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials, Close, Chg.

NYSE Diary table with columns: Advanced, Declined, Unchanged, Total Issues, New Issues, Close, Prev.

Odd-Lot Trading in N.Y. table with columns: Buy, Sales, \*5000, Last, Chg.

Dow Jones Averages table with columns: Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Close, Prev.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices under 'MARKETS: Dow Unchanged, Most Stocks Fall'.

MARKETS: Dow Unchanged, Most Stocks Fall

(Continued from Page 1) the European Community's executive Commission, said that the United States was prepared to let the dollar fall to 1.60 Deutsche marks...

MARKETS: Dow Unchanged, Most Stocks Fall

firm. The British government has said that it would decide on Thursday whether to postpone the offering.

MARKETS: Dow Unchanged, Most Stocks Fall

AT&T followed, rising 1 1/2 to 28 1/2. Philadelphia Electric was third, slipping 1/2 to 18 1/2.

MARKETS: Dow Unchanged, Most Stocks Fall

Dow Chemical was up 1 1/2 to 66; International Business Machines was unchanged at 118 and Exxon was down 2 1/2 to 40 1/2.

Table of stock prices (continued).

Table of stock prices (continued).

Table of stock prices (continued).

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Table of stock prices (continued).

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Table of stock prices (continued).

Table of stock prices (continued).

Table of stock prices (continued).

Long Term Security, Short Term Liquidity advertisement with 'GOLD' logo and 'Money you can trust.'

do not include



Wednesdays NYSE Closing

Tables include the nationwide prices to be the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Stock Div. Yld. PE 52 Wks High Low Close Chg. (Continued)

12 Month High Stock Div. Yld. PE 52 Wks High Low Close Chg.

12 Month High Stock Div. Yld. PE 52 Wks High Low Close Chg.

12 Month High Stock Div. Yld. PE 52 Wks High Low Close Chg.

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12 Month High Stock Div. Yld. PE 52 Wks High Low Close Chg.

12 Month High Stock Div. Yld. PE 52 Wks High Low Close Chg.

U.S. Futures

Oct 29

Grains: WHEAT (CBT), CORN (CBT), SOYBEANS (CBT)

Livestock: CATTLE (CME), FEEDER CATTLE (CME), HOGS (CME), PORK BELLIES (CME)

Financial: U.S. T. BILLS (HMM), EURO DOLLARS (HMM)

PERSONAL INVESTING: IN THE HEAT THE SECOND MONTH, EDITED FOR THE SOPHISTICATED INVESTOR

Paris Commodities: SUGAR, COCOA, COFFEE

London Commodities: SUGAR, COCOA, COFFEE

S&P 100 Index Options: S&P 100 Index Options

Food

COFFEE (NYMEX), SUGARWORLD 11 (NYMEX), ORANGE JUICE (NYMEX)

Metals: COPPER (COMEX), ALUMINUM (COMEX), SILVER (COMEX), PLATINUM (NYMEX)

Stock Indexes: SP COMP. INDEK (CME), VALUE LINE (ICKRT), NYSE COMP. INDEK (NYFE)

Commodity Indexes: Moody's, Reuters, Com. Research

Market Guide: CME, CBOT, COMEX, NYMEX

Spot Commodities: Aluminum, Copper, Silver, Zinc

U.S. Treasuries: Treasury bills, Treasury notes

BRITISH POUND (HMM)

BRITISH POUND (HMM), CANADIAN DOLLAR (HMM), JAPANESE YEN (HMM)

INDUSTRIALS: LUMBER (CME), COTTON (NYMEX)

CRUDE OIL (NYMEX), WEATING OIL (NYMEX)

MARKET MOVES: Geneva Bourse Moves Ahead on Expansion

Henley Boosts Stake in Santa Fe Southern

Japan Is Willing To Act if Growth Falter in U.S.

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# Putting the world's financial markets in perspective.

On October 19th, investor uncertainty abruptly caused unprecedented decline in worldwide equity markets.

The massive selloff was not caused by any one particular event, and there is no evidence that it was justified by the fundamental values of the shares being sold.

## Buy, sell or hold?

The worst thing to do right now would be to sell your equities at distressed prices.

It's crucial at this point to get your bearings in today's totally new environment, and decide upon a rational and prudent course of action.

It is also correct to say that this giant excess of selling has created a large number of bargains in very good shares. But before seeking them out it makes sense to take a good, careful look around. Individual equity selection and fundamental research are critical at this time.

## What will happen next?

Some historical perspective: One of the reasons for our optimism at Merrill Lynch is the magnitude of the decline we've just been through. Some of the worst declines in history have not exceeded 50% in the initial selloff. Even those that were followed by poor economic fundamentals recovered as much as 50% of the losses in subsequent months.

Merrill Lynch analysts believe the extent and speed of the ultimate recovery depend on such economic fundamentals as the stability of world currencies, the interest rate outlook, the degree of inflation and investor psychology.

## A better environment ahead.

The fundamentals of the U. S. economy may be called into question, but we believe that the world markets are overreacting to events. Also, we believe a broad-based economic decline will be avoided, even as the consumer becomes somewhat more cautious.

It cannot be said too strongly or too often: However severe this shock has been, this is no time to sell.

In fact it is time to take advantage of opportunities—to evaluate your holdings, and perhaps, restructure your portfolio.

## Exploring the opportunities.

Restructuring your portfolio is at best a difficult undertaking. How you do it depends on your goals and tolerance for risk as well as on your current holdings and your tax situation.

In addition, at Merrill Lynch, we believe that this is the time for thinking longer term. And such thinking will require a good deal more alertness and more insightful professional advice than in the past.

As recent events have demonstrated, today an investor must know not only what is happening at home but around the world.

## It's no time to go it alone.

At times like these, it's more important than ever to have continuing access to the kind of information and insight that can help you pursue the opportunities that uncertainty creates.

For our part, our Financial Consultants continue to offer reassurance of our financial strength, our proud tradition of trustworthiness and our leadership in providing professional guidance and service.

At Merrill Lynch, we remain confident in the world's financial markets, and in the underlying value of financial assets in this climate.

We recognize that emotions run high during times like these. However, it is critical that reason and objectivity prevail now more than ever.

We urge all investors to take no action out of fear, and to make careful and thoughtful decisions before taking any action at all.

Whatever volatility we face in the days ahead, we are committed to demonstrate to you the highest degree of professionalism and service. We urge you to take a long-term view and prepare yourself to participate in the opportunities we see ahead in the global financial markets.

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### AMERICAS

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# Merrill Lynch

MARKETS IN TURMOIL: Dollar's sharp drop triggers further plunges on world stock exchanges

Tokyo Shares Decline; Hong Kong Rally Ends

Nikkei Falls 257, Led by Export Stocks

Compiled by Our Staff From Dispatches TOKYO — Share prices weakened Wednesday in Tokyo, sending the Nikkei stock average 257.43 points lower...

Battered Sydney Rebounds to a Record Gain

SYDNEY — Australia's ravaged stock market rallied Wednesday for the first time in four trading sessions...

Colony Takes A Hard Look At Its Market

HONG KONG — The rally on Hong Kong's share market ended abruptly Wednesday as the main market indicator careened 250 points higher...



OUTCRY DOWN UNDER — Floor traders on the Sydney exchange cry out orders for shares as prices recovered Wednesday. The Australian market had suffered some of the world's heaviest losses in recent days.

Paris Delays Trading in Suez Shares

By Jacques Neher Special to the Herald Tribune PARIS — Finance Minister Edouard Balladur reversed himself Wednesday by postponing the first trading of Compagnie Financière de Suez...

Shares in precision-instrument stocks and autos fell sharply, as did the steel and shipbuilding sectors. Construction, real estate, securities firms and foodstuffs also posted losses.

currency from falling toward the key level of 140 yen. "There's still a lot of nervousness in the market," said Julian Jones, a broker with Vickers de Costa Ltd.

The Hang Seng index had closed Tuesday at 2,395.72, up 154.03 points from Monday's crash, after China joined the colony's government and banks in pumping 2 billion dollars into the unstable futures exchange to prevent defaults.

TSB Pursues Hill Samuel Deal Despite Shares' Fall

LONDON — TSB Group PLC's £777 million (\$1.33 billion) takeover of Hill Samuel Group PLC is going ahead, despite the stock market crash that has wiped more than £70 million off the merchant bank's market value...

Fokker Shares Fall On Planned Issue

AMSTERDAM — Stock in the Dutch aircraft maker Fokker NV plunged Wednesday as trading resumed after news that the company planned a rights issue at 20 guilders (\$10.01) per share.

Merc Under Siege: Chairman Defends His Market

Two years ago, Leo Melamed, chairman of the executive committee of the Chicago Mercantile Exchange and unofficial ambassador from the realm of stock index futures, was riding high. At a Merc cocktail party, Mr. Melamed waved a newspaper editorial that said stock index futures were not the main cause of unusual market moves.

Renault Shift Approved

The French cabinet approved legislation Wednesday under which the automaker Renault will be converted from a state agency to a company in which the government is the only shareholder.

EUROPE: Another Bloody Day

(Continued from first finance page) 1.2 percent on Tuesday after falling 8.05 percent the day before. Fears of an even weaker dollar further depressed sentiment and operators predicted that the wild ups and downs of recent weeks would continue until the U.S. government took specific measures to narrow the huge federal budget deficit.

"The massacre continues," one dealer said. He added that foreigners and institutional investors were major sellers. "West German bourses have become a dustbin for foreign holders of German shares," said one dealer with a German bank.

Monday's record plunge of 1,120.70 points, representing 33 percent of share value, came after a four-day trading halt that had locked Hong Kong shareholders into their investments and triggered criticism of the market's overseers.

AMSTERDAM: Another Bloody Day

AMSTERDAM — Stock in the Dutch aircraft maker Fokker NV plunged Wednesday as trading resumed after news that the company planned a rights issue at 20 guilders (\$10.01) per share.

Republic National Bank of New York Consolidated Statement of Condition (in Thousands) September 30, 1987 and 1986. Assets: Cash and demand accounts \$252,468; Interest bearing deposits with banks 7,114,834; Short-term tax exempt investments 52,489; Precious metals 2,978,143; Federal funds sold and securities purchased under agreements to resell 439,623; Loans, net of unearned income 4,047,590; Allowance for possible loan losses (212,455); Customers liability under acceptances 2,243,341; Premises and equipment 323,884; Accrued interest receivable 407,716; Total assets \$18,128,926.

Floating-Rate Notes

Table of Floating-Rate Notes with columns for Issuer/Note, Coupon Next Bid Ask, and various note details. Includes sections for Dollars, Deutsche Marks, Japanese Yen, and Pounds Sterling.

GLOBAL: Markets' Interreaction

(Continued from first finance page)

Paris Delors... Trading... Suez Share... exchanges last week was unfounded. "The fact that the United States suffers from its twin deficits and rapidly growing foreign indebtedness no doubt explains why the worldwide fall began on Wall Street," said Nigel Lawson, the British chancellor of the Exchequer, in a speech on Monday. "What is less readily explicable is why the London markets should be following an attempt to second guess Wall Street quite so slavishly."

One of the critical questions for the next several weeks is whether the markets that have tracked each other so closely in recent weeks will begin to seek their own levels. "You will find them decoupling from Wall Street after a while because they don't have the U.S. problems of twin deficits," said Henry de Vismes, a director of Kleinwort Benson International Investments. "Markets assume the worst together, and then start crawling back separately."

In time, however, the coupling-decoupling syndrome seems doomed by the spread of technology. The networks of trading screens, open communication lines and even linked exchanges — such as the alliance between the Chicago Mercantile Exchange and its counterpart in Singapore — do not create a monolithic worldwide market. But they do allow for 24-hour trading in which decisions about where to invest, and when to move out of a market, are passed constantly around the globe.

The result is that each individual market can exact its own influence before the ball bounces to the next time zone. "Then, for the rest of the week, Wall Street set the daily direction," said Nicholas Bratt, president of Scudder International Fund, which also invests in numerous markets. "I can't explain why the foreign markets followed."

TAXES: Should U.S. Raise Them?

(Continued from Page 1)

Massachusetts Institute of Technology, who last week was awarded the Nobel Memorial Prize in Economic Science, and Professor Paul Samuelson, also of MIT, the first American economist to receive the Nobel prize, and Mr. Summers himself.

The eclectic Keynesians are themselves in a strange alliance, intellectually in league with conservative counterparts such as Martin Feldstein of Harvard and David Rockefeller and a great many other business and financial executives, of whom urge action to shrink the budget deficit. They warn that, if the president and Congress fail to act, it would likely rattle the markets and touch off another plunge.

It is true, of course, that wrong-headed fiscal actions by President Hoover after the 1929 crash did exacerbate the weaknesses of the economy and help thrust it into depression. The Hoover administration resorted that, to balance the budget, the government would have to raise tax rates. And the Federal Reserve Act of 1933 nearly doubled tax rates.

Unquestionably the effort added ardors to the economy, restricted private spending even more and made worse the deflation of prices that was already under way. But the big tax increase was not the only cause of the Depression. It was inflation, in this period of falling prices and employment, that prompted the Federal Reserve from making more money and credit available and from stronger action to lower interest rates. The situation was made worse by the Smoot-Hawley Tariff Act and the spread of protectionist actions to other countries.

By 1933, one out of four Americans was unemployed. The world banking and financial system had broken down. Today, would measures to shrink the budget deficit mean repeating that grim scenario? The answer is that it certainly could not. What is crucial is that steps to reduce the budget deficit be offset by actions of the Fed to use monetary policy and thereby bring down interest rates. That would avoid compounding the downward pressure on the economy of tighter fiscal policy. Lower interest rates would ease consumer spending and business investment and help to strengthen the stock and bond markets.

But why act to reduce the budget deficit at all at this point? First, because that would ease the problem of the Federal Reserve bringing down interest rates, at a time when the dollar is under heavy pressure and the nation is suffering from a huge deficit in its balance of trade and payments. If U.S. interest rates are to be brought down, without sending the dollar into a free fall, it will require the cooperation of the other industrial countries in coordinating interest rates and exchange rates. (If, for instance, the West Germans raise their interest rates, it may force the United States to follow suit, lest the dollar fall out of control.)

Overall growth of the world economy and world trade is crucial to preventing a worsening of protectionist pressures in the United States and abroad, thereby repeating one of the key causes of the Depression in the 1930s. It has become vital to think of the international economy as a closely integrated entity and to link together national economic policies for the world as a whole.

For the United States, the right mixture of fiscal and monetary policy now — with a plan for narrowing the budget deficit and Federal Reserve action to supply more liquidity to business and the banking system — should make possible a dramatic decline in interest rates, and that would greatly strengthen market confidence and public opinion. The idea would be to stabilize the economy at a much lower structure of interest rates.

Some economists, such as George Perry of the Brookings Institution, believe that a \$23 billion cut in the 1988 deficit — which is all that the White House and Congress are now considering — would be "a big disappointment" to the financial markets. Bond prices would fall and rates would soar, all over again. Mr. Perry, who sees wide scope for interest rates to decline, believes the deficit cut should be \$40 billion this year and \$60 billion next year, if not more. In his view, the economy, which is still expanding, could absorb that kind of fiscal action and benefit.

A number of leading economists stress that, to have the best effect on the markets, the budget-shrinking must be seen as part of a solid, long-run plan. Mr. Solow, the Nobel laureate, said in an interview Tuesday: "The market's fall makes it a lot harder — it could tip the economy into recession." But he still favors a plan to steadily shrink the structural deficit over the next few years.

Mr. Samuelson of MIT conceded that measures to shrink the deficit would be "a mild depression on the economy" but added that "the right deal to cut is that any improvement in the basic structural deficit is to be offset by increasing monetary stimulus to the desired degree."

EC Publishes Plans to End Currency Controls

Reuter

STRASBOURG, France — The European Community's executive commission on Wednesday published proposals to eliminate exchange controls in the community. Under the plan, the 12 member states would lift all controls on capital movements by the end of 1992, a key part of the EC's goal of creating members' economies. The commission president, Jacques Delors, said that financial integration "will allow the community to defend itself better against risks from outside and to speak with one voice for solving the problems posed by current imbalances in the world economy."

At Quantum Fund, a Top Money Manager Takes His Losses Philosophically

By Albert Scardino

New York Times Service

NEW YORK — George Soros, one of the most successful mutual fund operators of his generation, thinks of himself more as a philosopher than a money manager. So it came as no surprise to his friends that he took his fund's losses in the stock market in the last two weeks philosophically, all \$800 million worth. "We're still ahead 1.5 percent on the year," he said Tuesday.

Mr. Soros manages the Quantum Fund, a \$1.8 billion mutual fund whose net asset value per share has risen astronomically since he founded it in 1969, from \$41.25 to \$9,793.36 on Tuesday. In the last 18 years, the Quantum Fund has failed to show a profit only once, in 1981,

according to Lipper Analytical Services Inc., a research organization that tracks mutual funds.

This year could be the second.

Since the market started its decline in late August, the Quantum Fund has lost more than 30 percent of its value, sliding to less than \$1.8 billion from more than \$2.6 billion. Last week alone, Mr. Soros sold hundreds of millions of dollars' worth of stocks, taking his losses "voluntarily" to accumulate cash and prevent a further erosion of Quantum's share value.

Mr. Soros, an energetic 57-year-old native of Budapest who worked his way up from Wall Street researcher to international money manager, emerged this year

as the prince of the global village theory of investing.

To Wall Street insiders, Mr. Soros embodied the bull market of the 1980s. Using a broad understanding of international financial trends, he played the markets in Tokyo, London and New York, hedging currencies on one exchange while he sold bonds short in another, gambling on gold futures while he poured tens of millions of dollars into Dow Jones industrials.

The exotic aura surrounding him was enhanced by the fact that Quantum, a Netherlands Antilles corporation, accepted no investors who were either citizens or residents of the United States. Having turned his vision into a fortune, he decided last year to share his

vision. His first book, "The Alchemy of Finance," landed in the market last summer a few weeks before stocks — and his mutual fund — reached their all-time peak.

With his non-100-original theory that people, with their biases and dreams, move markets, Mr. Soros emerged as this year's philosopher of Wall Street.

According to his theory, markets do not serve as efficient processors of information, turning data into stock prices that accurately reflect reality. Rather, he said, the attitudes of investors determine the stock price, which then acts on the attitudes of investors.

Applying this idea of "reflexivity" to the bull market of the 1980s, Mr. Soros had been claiming — before Wall Street's

recent woes — that the market could climb much higher than its August peak. It would be carried aloft on the sheer enthusiasm of investors.

As far as Mr. Soros is concerned, the crack came two weeks ago, when Robert R. Prechter, the popular market forecaster who had run at the front of the herd of bulls for five years, reversed course in mid-September and warned his clients to pull out of the market.

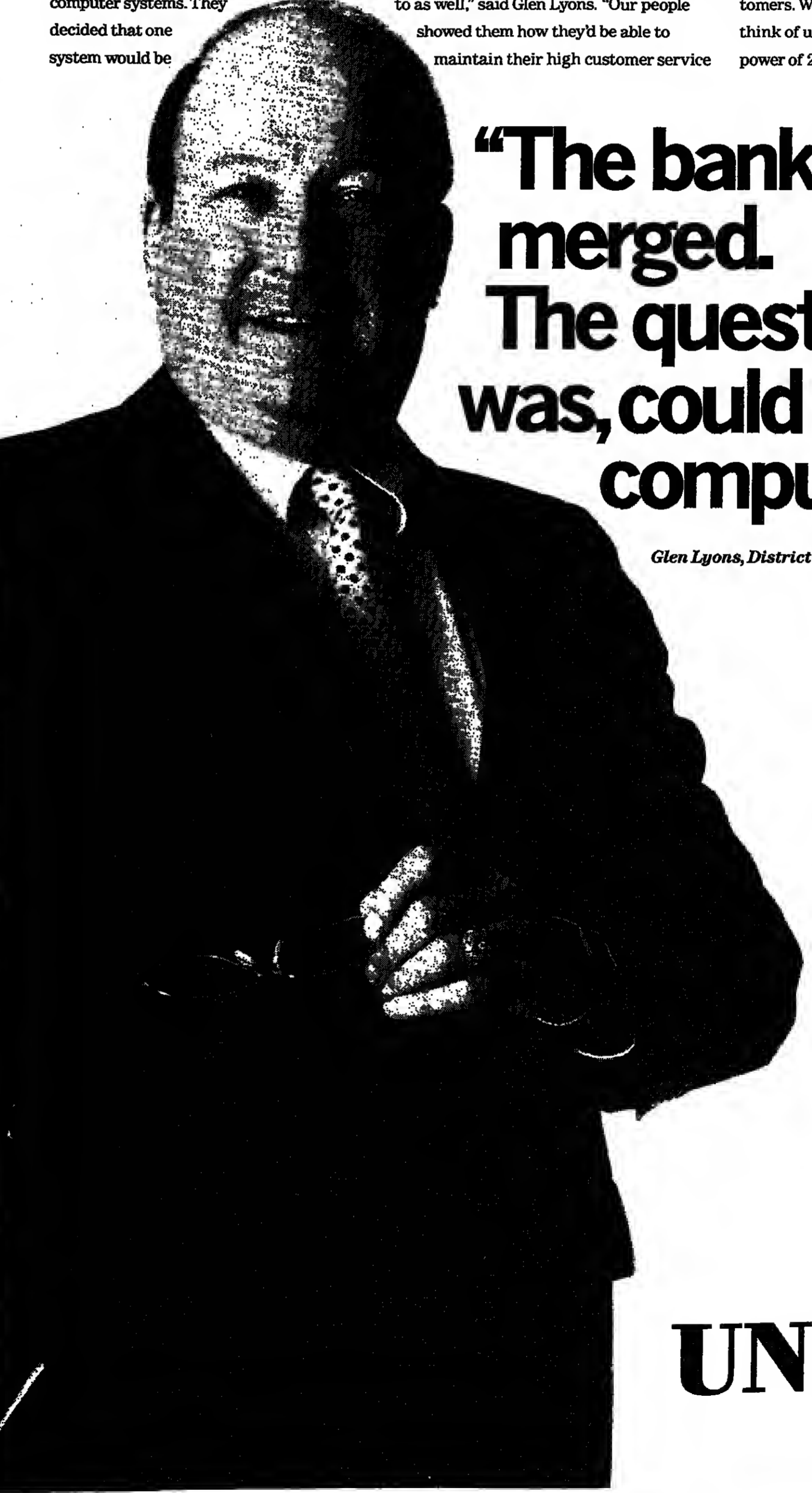
"I was stunned by his comments, just as everyone else was," Mr. Soros said.

Had stocks recovered quickly, to say, 2,100 on the Dow industrial average, the whole experience "might have been written off as a bad dream," he said. Now, the decline has become more than an apparition. "It is very real," he said.

MERGING two large banks can produce significant economies of scale. It can also produce significant programming headaches if the two have different computer systems. When the Bank of Virginia, a 22-year Unisys customer, merged with a Maryland bank to form Signet, the banks had to decide how to use two very different computer systems. They decided that one system would be

assigned to the new organization's retail business, and the other system to the commercial business. Since Signet is strongly customer-oriented the big question was, whose equipment would be assigned to handle the retail business? "The bank has always cared a lot about their retail customers, and they expect us to as well," said Glen Lyons. "Our people showed them how they'd be able to maintain their high customer service

standards, even with 90 new branches, without any interruption of service. "They knew that we could do it. The bank has grown fast for many years, and Unisys has always kept pace with them. And Signet has never had to rewrite their software. "It's been real rewarding to work with bankers who care so much about their customers. We work with them so closely, they think of us as family now. That's really the power of 2."



"The banks merged. The question was, could their computers?"

Glen Lyons, District Manager, Unisys.

UNISYS The power of 2

Quibble Compulsion Some analysts try so hard to pick market tops that they can't get out of a bearish mode long enough to see the powerful upward trends that are developing in emerging industries. While they quibble about downside Dow targets, we keep identifying stocks we feel can quadruple. You'll find projections in weekly reports that are available with our compliments if you'll write, phone or telex. Indigo is not a licensed broker. Indigo Indigo Partners in Valencia 43, Terradellas, Madrid, Spain. Telephone 34-91-382600 - Telex 73423.





MARKETS IN TURMOIL: Dollar tumbles to new lows

DOLLAR: Central Banks Intervene to Control Its Slide

(Continued from Page 1)

ding in Tokyo, when the dollar fell below 1.7470 DM. The organized dollar buying continued intensively during Asian, European and U.S. trading. Market sources described the intervention by the central banks of United States, West Germany, Japan, Switzerland, France, Britain, Italy and the Netherlands as massive and "sustained," but they were hard pressed to put an estimate on the total purchases. Dealers said the combined initial dollar purchases could be in excess of \$3 billion. The Bundesbank, Bank of France and the Bank of England also injected liquidity into money markets Wednesday to ease upward pressure on interest rates.

Table titled 'London Dollar Rates' showing exchange rates for Deutsche mark, Pound sterling, Japanese yen, Swiss franc, and French franc.

threat that such a plunge poses to world economic stability. The dollar simply has to move lower and this is a massive, coordinated attempt to make the decline as orderly as possible and to cushion the other financial markets from the negative effects of the stock collapse by pouring in liquidity," said David Jones, an international economist with Aubrey G. Lunsom & Co. in New York.

"The Bundesbank and the other central banks know that intervention over a long time is 'futile,' she said, "unless it is backed by monetary policy." In New York, Mr. Jones agreed that a significant shift had occurred. He linked it to a report Tuesday that West Germany's monthly trade surplus swelled to 11.5 billion DM (\$6.26 billion) in September, the second-highest level on record.

Some dealers, however, said they doubted central banks could force the dollar into any kind of range at the moment. "I think what they are hoping is that the market will find a bottom for the dollar that they can support," a trader said. The dollar's decline also put strain on the European Monetary System by pushing the mark to a record high in Paris of 335.17 French francs per 100 DM, up from the previous record of 334.96, set Jan. 19.

Economists said that the concerted attempt to maintain control over the dollar's decline was likely in continue. But they warned that in the current chaotic economic situation, many of the central bank's short-term options, such as pumping liquidity into money markets to keep interest rates down, run the risk of pushing inflation rates higher.



DOLLAR BLUES — A chalkboard at the Frankfurt stock exchange, where the dollar was fixed nearly 3 pfennigs lower Wednesday against the Deutsche mark.

POLICY: Pressure Mounts on Bonn to Expand Economy

(Continued from Page 1)

exporting companies were particularly hard hit in Frankfurt on Wednesday, underlining the need for West Germany to rethink its hitherto "intransigent" attitude. If the Bundesbank does not act, there would be a crisis in the European Monetary System and the dollar would continue to fall, pushing U.S. bond prices down and further weakening the stock market, Mr. Brown said. Other analysts were concerned that West Germany would continue in a deaf ear to pleas for action that would reduce its trade surplus, attract more imports and allow other European economies to grow faster. West Germany has long been resisting these pleas, for fear of reigniting inflation.

Most analysts and European officials, however, continued to give equal priority to the adoption of a "market-conforming" plan in Washington to cut the U.S. budget deficit, preferably within the next few days. But there were fears that political posturing in Washington would delay an early deficit reduction accord. The Democratic-controlled Congress appeared to be more interested in forcing President Ronald Reagan to "say uncle" on tax increases, which he has long op-

posed, than to fashion a serious budget agreement said one official. "If the stock market won't wake them up, then the currency markets will have to," the official said, referring to both the congressional and White House negotiators. As the Deutsche mark hardened against weaker European currencies such as the French franc and the Italian lira, private analysts speculated that European Community finance ministers might have to meet to discuss a possible realignment of EMS exchange rates. But officials discounted the prospect, saying that it was quite usual for the gap between the mark and the other currencies to widen when the dollar fell. One European source put the chances of an early meeting of the Group of Seven leading industrial countries at "better than 50-50," especially if the dollar continued to plunge. But the general view was that the worst thing possible would be to hold such a meeting without positive results.

U.S. officials continued to insist that no such meeting had been scheduled. The United States partners would much rather see James A. Baker III, the U.S. Treasury secretary, concentrate on ensuring the success of the budgetary negotiations between the White House and Congress in Washington, and not have him distracted by a G-7 meeting, one official said. Both government and private economists in Europe were hoping that the Washington negotiations would lead rapidly to a convincing commitment, not just to cut the budget deficit this year but to put it on a clear downward track in the years ahead. Such a plan, if possible, he agreed upon this week, they said. European sources said that the plan could then be incorporated into a G-7 package, in which both West Germany and Japan would commit themselves to expansionary tax and interest rate policies. Under these conditions, the seven countries could reaffirm their so-called Louvre agreement on exchange rate and economic policy cooperation in the hope of stabilizing the dollar at the lower rate it would then have reached. Private economists were unanimous in saying that the two main tasks were to keep growth alive in countries outside the United States so as to offset the slower American growth they now expect next year and to try to brake the dollar's descent. Mr. Johnson said that under a "benign" scenario, he foresaw the dollar dropping to 1.70 DM and 135 yen by the end of the year.

Wednesday's OTC Prices

NASDAQ prices as of 2 P.M. New York time. Via The Associated Press

Large table of OTC prices listing various stocks and their prices.

Table of stock prices with columns for 12 Month High/Low, Div. Yld., and other financial metrics.

Table of stock prices with columns for 12 Month High/Low, Div. Yld., and other financial metrics.

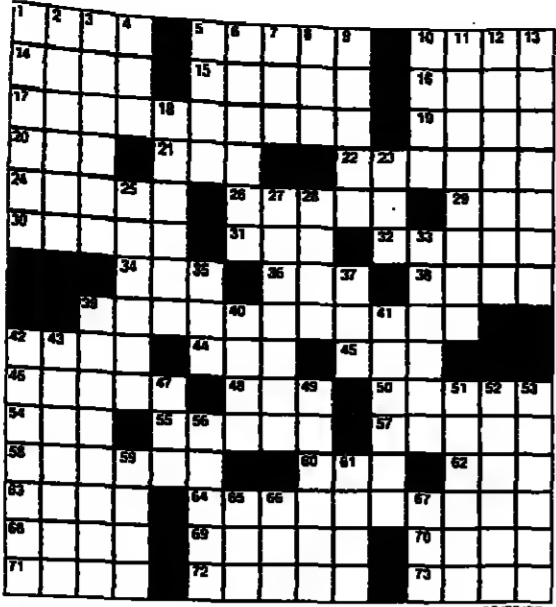
Table of stock prices with columns for 12 Month High/Low, Div. Yld., and other financial metrics.

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Table of stock prices with columns for 12 Month High/Low, Div. Yld., and other financial metrics.



**ACROSS**

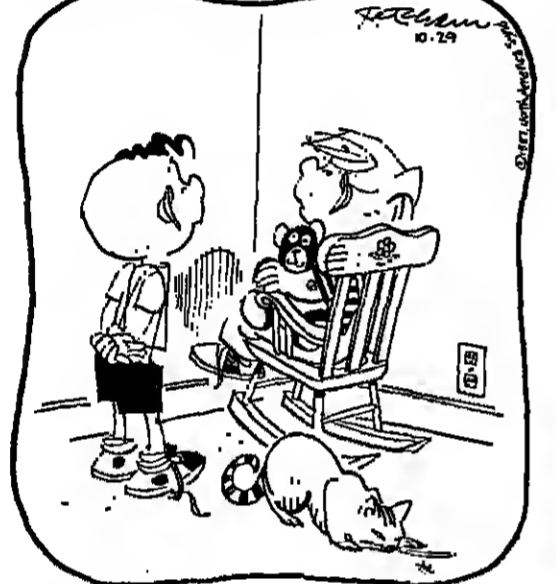
1 Moslem prayer leader  
5 Upright  
10 Capella, e.g.  
14 Access Maris Calif.  
15 "The Wreck of the Mary..." (1959 film)  
16 Leader's love  
17 Pretentious official  
19 Saarienen  
20 One in Dundee  
21 Bouncer  
22 Typewriter part  
24 Bounded  
26 Weird  
29 Chemical suffix  
30 Like's opponent  
31 Cheerleader's word  
32 Cooper's Bumpo  
34 Mauna  
36 Early auto  
38 Disarrange  
39 Menorah, e.g.  
42 Japanese parliament  
44 "The Greatest" (wine-bottle words)  
45 Moray  
46 Like some seals  
48 Pasture  
50 Luvig's fish

**DOWN**

1 Rickenbacker, for one  
5 Long  
7 Frome of fiction  
8 Paso  
9 "Indian port"  
10 Santa... El Salvador  
12 Charms  
13 Looking-glass land denizen  
14 Short, erect tail  
15 Les Troyens, e.g.  
16 Interdict  
17 Subdue  
18 Violet-family member  
19 West German river  
20 C. Crawford  
21 A best seller in 1984  
22 Campa red, e.g.  
23 City on the Maine  
24 Like arbors  
25 King of England, 1017-35  
26 Captive  
27 Bar, in law  
28 Paving tool  
29 An Annuity fund  
30 New Devil agcy.  
31 Pueric  
32 Tom Rastum  
33 Second name

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DENNIS THE MENACE



I HAVE TO STAY HERE BECAUSE I'M A YOUNG MAN WHO KNOWS WHAT'S GOOD FOR HIM.

**JUMBLE.** THAT SCRAMBLED WORD GAME by Hazel Arnold and Bob Lee

Unscramble the four Jumbles. One letter to each square to form four ordinary words.

**SLUPH**

**GILTH**

**VOALAW**

**BRICKE**

Now arrange the circled letters to form the scrambled answer, as suggested by the above cartoon.

Print answer here: ○○○○○○

Yesterday's Jumble: CURVE GLORY SAVORY FORGET  
Answer: The person who may give you more trouble than anyone else—YOURSELF.

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	19	13	Cairo	21	15
Amsterdam	13	11	Chongqing	18	12
Barcelona	13	11	Guangzhou	21	15
Berlin	11	10	Hanoi	25	19
Bombay	25	19	Harbin	10	4
Buenos Aires	13	11	London	12	10
Calcutta	25	19	Manila	28	22
Cairo	21	15	Osaka	18	12
Chongqing	18	12	Shanghai	18	12
Guangzhou	21	15	Singapore	28	22
Hanoi	25	19	Taipei	25	19
Harbin	10	4	Tokyo	18	12
London	12	10			
Manila	28	22			
Osaka	18	12			
Shanghai	18	12			
Singapore	28	22			
Taipei	25	19			
Tokyo	18	12			

PEANUTS



BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

THE FORDS: An American Epic

By Peter Collier and David Horowitz. Illustrated. 496 pages. \$22.95. Summit Books, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Christopher Lehmann-Haupt

BEHIND every great fortune there is a great crime. Balzac once said. Peter Collier and David Horowitz—after citing this remark near the end of their riveting new biography of the automotive family, "The Fords: An American Epic"—are quick to add: "Old Henry, perverse as always, reversed things; the fortune came first and then the crimes."

Of course, by "crimes" Collier and Horowitz don't mean violations of public law, but instead moral transgressions, in this case what old Henry Ford did to his son, Edsel, by denying him his manhood, and what he did to his wife, Clara, by carrying on his long affair with Evangeline Cote, with whom he apparently conceived a son, and whose marriage to his chauffeur, Ray Dahlinger, he seems to have arranged as a cover.

Solution to Previous Puzzle

SPEC EAVE MARAT  
OUCH SPIN AMOLE  
BROADSIDE BEGIN  
SALSA NERO NEST  
THE GOOGEEARTH  
LATEST ALB  
ORE TAPE ELATE  
ONETOUCHOVENUS  
MANIA TINA OFT  
THE LOCATE  
NEPTUNE BEACH  
OGEE OVID TAMBO  
BEARS INDIANIAN  
TISLET LEIS GENT  
STERE STET ENDO

Is this the best book yet to be written about the Fords? Several worthwhile histories have been done on the family's great contributions to the automotive industry, from Allan Nevins's authoritative three-volume work, "Ford: The Man, The Company," to Robert Lacey's recent "Ford: The Men and the Machine."

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

CUNNING players sometimes pass with freakish hands, planning to surprise their opponents later. This hiding-in-the-bushes tactic can succeed against naive opponents, but it courts disaster against an experienced partnership.

opponents into five clubs because West could make an advanced bid: four no-trump, which would not be Blackwood but a request to East to select a suit contract at the five-level. South chose to tuck in the bushes, thus giving opponents all the room they needed to exchange information.

**NORTH**  
♠ J 10 9 8 7  
♥ Q J 9 7  
♦ K Q 8 4 2  
♣ A 5

**SOUTH**  
♠ A K 10 9 8 7  
♥ K J 10 9 8 7  
♦ A J 7 6 5  
♣ A 10 9 8 7

West and South were vulnerable.

West	North	East	South
1 ♠	2 ♠	3 ♣	4 ♠
2 ♠	3 ♠	4 ♠	5 ♠
3 ♠	4 ♠	5 ♠	6 ♠
4 ♠	5 ♠	6 ♠	7 ♠
5 ♠	6 ♠	7 ♠	8 ♠
6 ♠	7 ♠	8 ♠	9 ♠
7 ♠	8 ♠	9 ♠	10 ♠
8 ♠	9 ♠	10 ♠	11 ♠
9 ♠	10 ♠	11 ♠	12 ♠

West led the diamond ace.

World Stock Markets

World Stock Markets  
Via Agence France Presse Closing prices in local currencies. Oct. 28

Country	Stock Index	Change
Amsterdam	1158.13	+13.2
Buenos Aires	1400.00	+25.0
Cairo	2800.00	+50.0
Hong Kong	11200.00	+100.0
London	10200.00	+100.0
Manila	12000.00	+100.0
Mexico	15000.00	+100.0
Osaka	18000.00	+100.0
Paris	10000.00	+100.0
Singapore	11000.00	+100.0
Taipei	12000.00	+100.0
Tokyo	13000.00	+100.0

Company	Price	Change
Amstar	48.00	+0.25
Amgen	52.00	+0.50
Amstar	48.00	+0.25
Amgen	52.00	+0.50
Amstar	48.00	+0.25
Amgen	52.00	+0.50

**To Our Readers**

Montreal stock market quotations were not available in this edition because of technical problems.

**Reaching More Than a Third of a Million Readers in 164 Countries Around the World.**

Herald Tribune

10/29/87

SPORTS

Yanks' Mattingly Gets First 'Perfect' Rating in Major League Baseball

By Murray Chass
New York Times Service
NEW YORK — Don Mattingly of the New York Yankees...

The statistics, based on the 1986 and 1987 seasons, are compiled by the Elias Sports Bureau to determine the rank of players eligible to be free agents...

Closest to Mattingly in this year's computations among American League players is Cal Ripken Jr. of Baltimore, with 2.143.

The best rank in the National League belongs to Mike Schmidt of the Philadelphia Phillies, with 0.429.

Ernie Whit of the Toronto Blue Jays replaced Lance Parrish of the Detroit Tigers as the top-ranked catcher...

basemen, outfielders and designated hitters are grouped together, as are second basemen, third basemen and shortstops.

In the AL, Mattingly was the No. 1 player for the third straight year in his ranking group...

When the players are ranked in groups, the top 30 percent of each group are classified as Type A for compensation purposes...

When the players are ranked in groups, the top 30 percent of each group are classified as Type A for compensation purposes...



Kirby Puckett, the Twins' center fielder, was a touching sight as he rode through the streets decked out in fur coat and aviator's cap for the World Series victory parade.

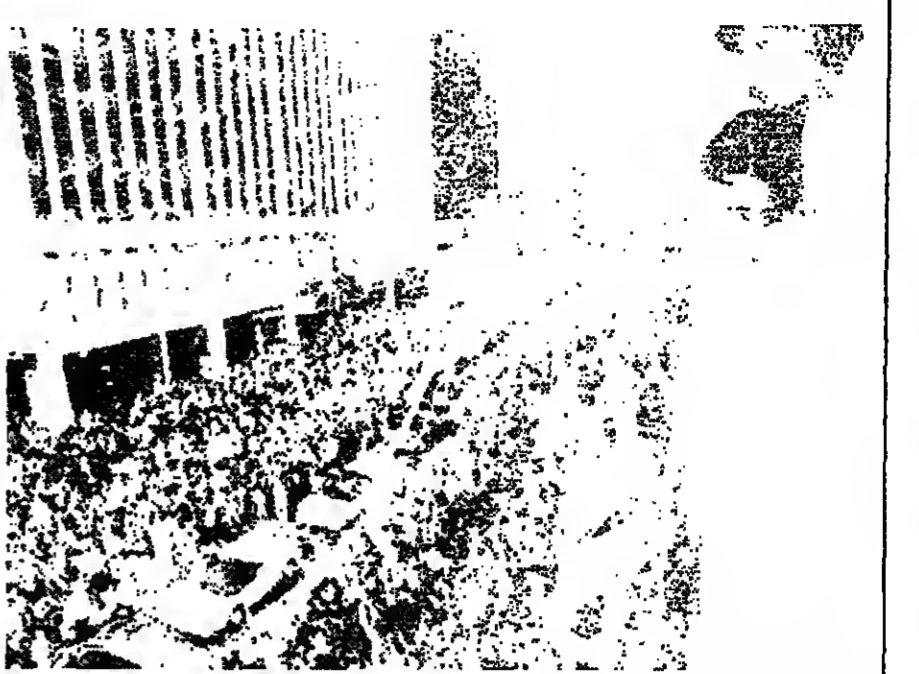
Fans Shower Twins With Love 'n' Money

The Associated Press
ST. PAUL, Minnesota — Hundreds of thousands of Minnesota Twins fans...

Police estimated that more than 200,000 people turned out for the start of the parade in Minneapolis...

Governor Rudy Perpich gave most state employees the afternoon off and many Twin Cities schools followed suit...

People were hanging from windows, teenagers climbed traffic lights and construction workers nearly 60 stories above the street...



In downtown Minneapolis, the team's parade was showered with shredded money.

money, contributed by the Federal Reserve Bank in Minneapolis, was shredded for confetti...

They escaped and got into other cars. At least one re-ruler was arrested in St. Paul...

Hearn Takes Aim at Roldan, a Fourth Title and History

By Phil Berger
New York Times Service

NEW YORK — Thomas Hearn will be shooting for a place in boxing history Thursday when he fights Juan Roldan for the World Boxing Council middleweight title...

On the face of it, that would be a remarkable achievement. For there is a tendency among fighters who step up in class to lose punching power...

Against Roldan, Hearn is obliged to come in at or under the 160-pound middleweight limit.

For Hearn, the Roldan fight may give him historic legitimacy but it remains to be seen whether or not he will help his boxing image.

Each of those groups has a different set of champions, except in the rare instance where a title has been unified. Currently, only the heavyweight division has an undisputed champion, Mike Tyson...

There has been further proliferation of world titles through the relatively new, so-called junior welterweight classes — for example, the junior welterweight (140-pound limit) and junior middleweight (154 pounds) divisions.

Despite such arguments, Hearn sees his quest for a fourth title as crucial to his standing in the sport.

"When I beat Roldan, it will erase all the criticizing I've been getting from people because of the fact that Ray Leonard and Marvin Hagler beat me," he said.

Leonard scored a knockdown in the 13th round and stopped Hearn a round later.

Hagler was another story. In their April 1985 bout, Hearn decided in fight toe-to-toe with the undisputed middleweight champion...

With an impressive victory over Roldan, a 30-year-old Argentine with a record of 63-3-1 and 41 knockouts, Hearn, 29, hopes to become boxing's big draw in the middle-range weight classes.

But Roldan, a rough and durable opponent with a bore-in style, is no sure thing. "He pulls his way in," said Hearn. "He doesn't respect nobody, but I demand my respect. How I'll demand my respect is by showing him a hard left jab from there I think Thomas Hearn will box his way to a victory."

Late in the fight, Hearn was ahead on the official scorecards, then wilted under Leonard's blows.

"You're blowing it, son," trainer Angelo Dundee told Leonard between rounds 12 and 13.

Leonard scored a knockdown in the 13th round and stopped Hearn a round later.

SPORTS BRIEFS

NFL Pension Surplus 'Wiped Out'

KANSAS CITY, Missouri (WP) — Jack Donlan, the National Football League's chief labor negotiator, said Tuesday at the annual full meeting of the league's owners and the league commissioner, Pete Rozelle...

Tottenham Picks Venables to Manage

LONDON (AFP) — The English first division soccer team Tottenham Hotspur ended four days of intense speculation Tuesday when it chose Terry Venables to take over from David Pleat as manager on Dec. 1.

Glasnost Gets a Good Ride in D.C. International

By Andrew Beyer
Washington Post Service

WASHINGTON — Mikhail Gorbachev may be playing it cool on the matter of a summit meeting, but at least Glasnost is upholding the spirit of Glasnost.

Trainer Nikolai Nasibov sees only one similarity between the Soviet and U.S. thoroughbred industries: "We have the same crazy people like in America. They like to bet."

And pulled them from a hat, and he was the one who got Aniline. "He was a very good horse. He is remembered not only in the Soviet Union but in Europe. In the International, he just couldn't keep up in the final 500 meters. But we haven't had a horse so good for a long time."

Swedes Get NFL, British Drooped

KANSAS CITY, Missouri — The owners of the National Football League teams approved Tuesday the playing of two exhibition games outside the United States next summer: the Chicago Bears against the Minnesota Vikings in Gothenburg, Sweden, on Aug. 12 or 13 and the New York Jets against the Cleveland Browns in Montreal between Aug. 19 and 20.

European Soccer

EUROPEAN CHAMPIONSHIPS
Group 3 Qualifiers
Soviet Union 2, Iceland 0
East Germany 3, Norway 1

SCOREBOARD

Football

Table with columns for U.S. College Leaders, Team Offense, and Total Offense.

Table with columns for Rushing, Car Yds, and Air Force Yds.

Table with columns for Passing, Air C, Yds, and Pts.

Table with columns for Points, Air C, Yds, and Pts.

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Table with columns for Points, Air C, Yds, and Pts.

Golf

Table with columns for PGA Leaders, Starting, and Finishing.

Table with columns for Starting, Finishing, and Pts.

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Table with columns for Starting, Finishing, and Pts.

Skiing

Table with columns for World Cup Schedule, Men's Calendar, and Women's Calendar.

Table with columns for Starting, Finishing, and Pts.

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Table with columns for Starting, Finishing, and Pts.

Transition

Table with columns for BASEBALL, National League, and American League.

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Hockey

Table with columns for NHL Standings, Patrick Division, and Adams Division.

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Table with columns for NHL Standings, Patrick Division, and Adams Division.

CAMPBELL CONFERENCE

Table with columns for North Division, W, L, T, Pts, GF, GA.

Table with columns for North Division, W, L, T, Pts, GF, GA.

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European Soccer

Table with columns for EUROPEAN CHAMPIONSHIPS, Group 3 Qualifiers.

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ART BUCHWALD

The White House Yell

WASHINGTON — The president held a press conference... The president caps his hand over his ear and shakes his head... "MR. PRESIDENT, ARE WE AT WAR WITH IRAN?" Buchwald



"I KNOW WHAT YOU MEAN. IT'S NOT MY FAULT THAT CONGRESS HAS ITS FEET IN CEMENT AND WON'T PUT UP THE MONEY FOR STAR WARS."

The president caps his hand over his ear and shakes his head. When the question is repeated, he yells back, "NO, I'M NOT SORRY I NOMINATED JUDGE BORK."

At 61, a TV Wizard Starts All Over Again

By Diane K. Shah

LOS ANGELES — Inside Bungalow 1 at his new headquarters in Culver City, Grant Tinker is holding a meeting... He said he wanted to start another television production company like MTM.



Grant Tinker, who claims he doesn't have a talent in the world except the ability to attract talented people.

Grant Tinker, who claims he doesn't have a talent in the world except the ability to attract talented people... He said he wanted to start another television production company like MTM.

PEOPLE

Show for Indian Convict

Show for Indian Convict Draws FBI Complaint... A benefit concert at Costa Mesa, California, for an American Indian activist convicted of killing two FBI agents drew glee from the performers and the FBI.

CHRISTMAS GIFTS

EVERY SATURDAY CHRISTMAS GIFT GUIDE... A unique international marketplace for Christmas gifts.

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EMPLOYMENT

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